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CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

DAN EATON, CHAIRMAN  
STEVEN R. JONES, BOARD MEMBER  
DANIEL G. PENNINGTON, BOARD MEMBER  
DAVID A. ROBERTI, BOARD MEMBER

TRANSCRIPT OF BUSINESS MEETING

TUESDAY, JULY 27, 1999

9:30 A.M.

CIWMB BOARD ROOM  
8800 CAL CENTER DRIVE  
SACRAMENTO, CA 95826

REPORTED BY:  
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1           CHAIRMAN EATON: Good morning, everyone,  
2 and welcome to the July 27th/28th meeting of the  
3 California Integrated Waste Management Board.  
4 Madam Secretary, would you please call the  
5 role.

6           BOARD SECRETARY: Board Members Jones.

7           MR. JONES: Here.

8           BOARD SECRETARY: Pennington.

9           MR. PENNINGTON: Here.

10          SECRETARY OF THE BOARD: Senator Roberti.

11          SENATOR ROBERTI: Here.

12          BOARD SECRETARY: Chairman Eaton.

13          CHAIRMAN EATON: Here. Recognize that we  
14 have a quorum.

15 I'll start on my left. Mr. Pennington, do  
16 you have any ex partes to state for the record?

17          MR. PENNINGTON: Yes, Mr. Chairman. I do.  
18 I had a verbal communication with Gordon  
19 Hart with Safety-Kleen regarding Agenda Item 32 yesterday.  
20 Also, yesterday I had conversation with Chuck Helgott and  
21 Mike Kaiser regarding Agenda Item Number 6; an E-mail from  
22 Mike Mohajer; another E-mail from Jan Nara; and I also had  
23 this morning the memo from Jerry Jangotchian concerning  
24 five percent.

25 I think that's it, Mr. Chairman.

26          CHAIRMAN EATON: Thank you. Mr. Jones.

27          MR. JONES: I think all of the above, plus  
28 a hello this morning to Paul Geisler and his folks from



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1 Davis, as well as Rita Hooker and the Battalion Chief from  
2 Long Beach on the cleanup issue, and Daniel Reed on the  
3 ongoing project at El Cajon.

4 CHAIRMAN EATON: And Senator Roberti.

5 SENATOR ROBERTI: Mr. Chairman, I am  
6 up-to-date, I believe, on my ex partes. Just to let the  
7 Board know that I, in the last month, have visited a  
8 number of our regulated facilities, both in the northern  
9 Sacramento area and the Los Angeles area, and hope I can  
10 share with you some of the concerns that some of the  
11 various jurisdictions, as well as some of the various  
12 groups that we regulate, have.

13 CHAIRMAN EATON: Good. I, too, have  
14 received a letter this morning, or a fax, I believe, from  
15 Jerry Jangotchian in Hawthorne and had a short r  
16 meet-and-greet with Mark Apraya, and just an update on  
17 Sycamore Landfill on today's agenda.  
18 For those of you who may be here for the  
19 first time, for those of you who have been here all the  
20 time, as you well know, there are speaker slips in the  
21 back. If you could kindly fill those out and put the  
22 agenda item number down and bring it up to my left and to  
23 your right to Lisa, she'll see you have the appropriate  
24 time allotted for speaking on an issue. If you have more  
25 than one item, it would be greatly appreciated if you  
26 could put all the numbers down and we will make sure that  
27 you get to speak on those.

28 In addition, for those of you who may have

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1 entered a little bit late, in addition to the regular  
2 agenda, there was an addendum to the agenda, which I  
3 believe is also in the back. If you picked up just one  
4 sheet that looked like it had 30-some numbers on it,  
5 there's also an addendum back there as well.  
6 Now we will go to reports from members, and  
7 since Mr. Roberti, you had indicated the fact that you had  
8 visited a number of locales, perhaps this morning you  
9 would like to go first. And I should also say before we  
10 begin, to the members of the public, this is a very  
11 important aspect. I think as you begin to see, at least  
12 these four Board members have been out and about talking  
13 to people as we approach -- it's been, I think, rewarding.  
14 It's also an opportunity for us to self-examine and also  
15 to not only be complimented, as we are many times, but  
16 criticized equally as much, and I think you learn from  
17 those criticisms as well.  
18 So without anything further, Senator  
19 Roberti.

20           SENATOR ROBERTI: Thank you, Mr. Chairman.  
21 Yes. I think a common thread that some of  
22 my visits have is the concerns that some entities have  
23 that are focussed on diversion is narrow. I'm not saying  
24 that I agree, but I am saying that it is a common thread  
25 of concern.  
26 In the City of Santa Monica, for example,  
27 they are concerned that many of our considerations don't  
28 take into factor things that are being done to encourage

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1 recycling that are really not numerical to our diversion  
2 rate. And a couple of other points, too, that I think we  
3 have to consider as we move along, with the recessions  
4 coming and going, population often changes because of  
5 that. And some towns, Santa Monica being a very good  
6 example, with prosperity, their daytime population  
7 increases enormously.

8 Our population factors are very, very  
9 static, when we factor in diversion or a lot of the other  
10 things we talk about. It's a consideration, and I think  
11 is one which may account for a wee bit more flexibility on  
12 our part as we monitor these situations. That's just one  
13 thing.

14 Something else that impressed me in some of  
15 the other matters is that a number of entities, such as La r  
16 Puente or Yolo County up here, are really engaging in a  
17 lot of new technology -- Puente Hills -- that I think we  
18 need a little bit more interexchange on. So we know it's  
19 being done regionally, and they know that we're aware and  
20 can be cooperative with them. I might say that also goes  
21 for Sunshine Canyon as well as in Los Angeles County.

22 Interesting things I would say that I  
23 learned about, this job being ever so fascinating in its  
24 variety and things that I hadn't even contemplated, even  
25 though I carry a 939 on the Senate floor, the diversity is  
26 far greater than I ever anticipated, and that is all the  
27 various methodologies that we have that -help us in  
28 reducing waste and how some of them are still

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1 controversial and some should be encouraged.  
2 I didn't realize we still had incineration,  
3 and especially in Los Angeles. I thought we had gotten  
4 rid of that when I was a little kid. We had to get rid of  
5 our backyard burners. Long Beach had incineration and is  
6 fairly successful. I don't say I necessarily recommend  
7 that for the entire western world, but I think we should  
8 keep our minds open that in certain areas, under certain  
9 conditions, maybe it isn't something that should be  
10 totally universally frowned upon.  
11 Other things I learned is that we ship out  
12 to Arizona products which under California laws are toxic,  
13 but you can ship that out of state and bury it. And I'm  
14 not saying we should change our California law, but it  
15 does strike me that our political jurisdictions really  
16 shouldn't mean too much.  
17 We are on one planet, and in the long haul,  
18 2000 years from now when our successors on this planet  
19 start wondering what we did and how we did it, the fact  
20 that there was an Arizona-California dividing line is not  
21 going to mean too terribly much, but it is interesting  
22 that our regulations are somewhat different.  
23 And then go back to one other thing. The  
24 last place I visited was the All American Asphalt Company  
25 in Irvine, and I learned an awful lot there, not so much  
26 how they make asphalt, because I won't be able to retain  
27 that, but I didn't know that in California, the State does  
28 not allow with much ease the recycling of old roads. Some

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1 local jurisdictions do that. Every time I thought about  
2 construction of roads, I think in terms of laying asphalt,  
3 but hey, what do we do with the old roads once they're  
4 broken up? For some reason we don't do it, and I think we  
5 should investigate why because many local jurisdictions do  
6 do it.

7 Of course, the recurring problem is why the  
8 Department of Transportation, as a sister agency in this  
9 state but one which causes me in no amount of concern --  
10 despite the wonderful words the representative of the  
11 agency had before us a couple of months ago -- why the  
12 bureaucratic reluctance to use rubberized asphalt. I  
13 mean, going to the plant just sold me one more time that  
14 this is a technology and a methodology that ought to be  
15 encouraged, is safe. r  
16 Everything that we can do to have  
17 demonstration projects to inculcate the world with  
18 education that rubberized asphalt gets rid of tires and  
19 makes for better roads, I hope once my time on this Board  
20 is over is one thing that we will have succeeded in making  
21 the change on.

22 That's what I want to share with you.

23           CHAIRMAN EATON: I thank you, and I know  
24 that because I attended some of those same places, that  
25 you wouldn't want to forget the technology with the  
26 biofilter, which we passed the smell test for those of you  
27 who may or may not know.

28 Paul Relis, former Board member, invited us

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1 down to see some of the -- really, considerations that you  
2 spoke about from a local perspective that take place, and  
3 I do believe -- I think one of the interesting things --  
4 and I'll let Mr. Jones and Mr. Pennington to follow-up on  
5 yours.

6 I share all of the same concerns, and even  
7 more so, I believe that going out, we're finally getting  
8 the messages that now -- it's an interesting dynamic when  
9 you sit here and talk about quality of programs, as I have  
10 before you got here, but I know that Mr. Pennington has  
11 talked about that from when he was here, and Mr. Jones.

12 All of a sudden now the Board has become  
13 the guide for pushing the numbers and not the quality of  
14 programs, but I think what we're doing is all of a sudden  
15 everyone is talking quality of program instead of numbers,  
16 and I think that's probably the best thing we could do.  
17 If that's our sin, I'll take that sin.

18 The other couple of things, as you well  
19 know, in jurisdictions we were down in Orange County and  
20 that was a pretty heated discussion down there that a lot  
21 of cities are having, but that's one where just the citing  
22 of the particular facilities that we're trying to promote  
23 become problematic because of local economics. By the  
24 same token, there are those who are creative in terms of  
25 how they would like to approach things.

26 I also do want to announce that one of the  
27 things that came out of the Orange County meetings was the  
28 situation wherein jurisdictions which have been loosely

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1 identified as host jurisdictions, better known as those  
2 jurisdictions which have a landfill or a facility within  
3 their city confines, seem to have been unduly  
4 disadvantaged by having people deposit waste and then be  
5 charged against that local host jurisdiction. So  
6 therefore, there are problems with numbers and those kinds  
7 of things.

8 To that end, I think that there seems to be  
9 a problem between Los Angeles and Orange County, and it's  
10 our hope that we bring to the Board sometime this fall a  
11 general discussion, mainly with regard to host  
12 jurisdictions and their particular problems, and some of  
13 the problems that you may have experienced with  
14 Santa Monica with the daily influx because they have good  
15 beach weather and what have you, but I think that the host r  
16 jurisdiction is problematic for that, and it's something  
17 we can discuss.

18 And so without any further adue,  
19 Mr. Pennington, anything to report?

20 MR. PENNINGTON: I don't think I have  
21 anything to report, but I would like to comment on the  
22 Senator's remarks, and that is that at least 30 years ago, \*  
23 I was with the Rubber Manufacturers Association, and we  
24 were working with rubberized asphalt then, lots of tests.  
25 Arizona was using a lot of it and they're using it in  
26 Minnesota. And we still seem to be at the same place and  
27 it's because of things like Caltrans that will not get on  
28 the ball and start promoting it.

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1 When I came here a little over four years  
2 ago, I was hoping that we would be able to stimulate  
3 through this Board more use of it, and I continue to hope  
4 that and I hope that when the Senator leaves, he and I  
5 will appreciate how much rubberized asphalt is being used.

6 CHAIRMAN EATON: Mr. Jones.

7 MR. JONES: Mr. Chairman, thank you.

8 I also attended the meetings in Orange  
9 County and with you and Mr. Chandler, for part of it with  
10 the Senator, and there were an awful lot of issues. I  
11 know we had a impact. There were good things that came  
12 out of the end of that discussion because of some feedback  
13 I got from a couple of the people that built the  
14 infrastructure. Some of the haulers were contacted by  
15 their cities and wanted to know how much waste was going  
16 around the infrastructure to help meet AB 939 directly  
17 from generator to landfill as opposed to how much was  
18 going through the infrastructure to help those  
19 jurisdictions meet the goal.

20 So if we didn't do anything, we at least  
21 got the awareness of a couple of cities' elected officials  
22 in knowing just how important to know that waste does go  
23 through the appropriate infrastructure. It also helps  
24 keep costs down when they do that instead of excluding  
25 part of the cream that could go directly to a landfill.

26 More importantly, I had a -- I attended --  
27 July 12th, 13th and 14th, I was in Long Beach and attended  
28 the Association of Territory States Waste Management



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1 Officials conference. This is an organization that works  
2 directly with U.S. EPA on policy issues that deal with  
3 both water issues, hazardous waste and municipal solid  
4 waste.

5 Mr. Chandler and I -- I think three, two  
6 and a half years ago -- attended the conference back in  
7 Washington D.C. because DTSC had had a very active role in  
8 that organization and the Waste Board really hadn't. And  
9 we felt it was time we take a more active role in  
10 municipal solid waste issues.

11 I want to report that Mark De Bie from our  
12 Permitting Enforcement Branch was one of the organizers of  
13 that conference and did an absolutely outstanding job,  
14 represented the State admirably as both an organizer, a  
15 moderator and, I think, a speech deliverer. But he did a  
16 great job organizing that, as did Gary Arstein-Kersiake  
17 from our Information Computer Division.

18 That one was particularly fascinating  
19 because that two- or three-hour presentation was about how  
20 to use the computer and internet dealing with solid waste  
21 management issues, and Gary was joined by somebody, I  
22 think, from Pittsburgh or something, from Pennsylvania or  
23 something like that, and U.S. EPA.

24 One of the goals of this Board was that we  
25 be considered a national and international leader, and I  
26 will tell you that for that three hours, we definitely  
27 were the national leader. We were so far ahead of the  
28 other presentations, that Gary and his crew needs to take

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1 an awful lot of pride in what they delivered. And I'm  
2 sure they're going to get busy getting phone calls from an  
3 awful lot of states. One of the common themes was all of  
4 these states log-on to our internet all the time to get  
5 information on programs, so I want to congratulate them.  
6 California was well represented. We had  
7 interesting discussions on the bioreactor, which is what  
8 the Senator had alluded to, spent quite a bit of time  
9 talking about that technology and where we need to start  
10 looking in the future. We talked about a whole host of  
11 issues that are of concern to the states and the federal  
12 government, as well as California. It was time well  
13 spent.

14 I think it's important that this Board  
15 stays involved because if we're the ones giving input to  
16 U.S. EPA, maybe we can bring a little common sense to  
17 those things. People in Kansas that are talking about  
18 composting dead chickens that die in the feed lots and  
19 that lose 400,000 and 500,000 at a time have a different  
20 set of issues than California. I'm sure we have our times  
21 we lose a couple hundred thousand chickens somewhere in  
22 out agricultural area.

23 They don't have an idea of the enormity of  
24 California. They don't -- they don't understand that what  
25 goes on here is a balancing act between the appropriate  
26 amount of environmental protection that helps foster a \$1  
27 trillion gross state product, and I think the fact that we  
28 are constantly trying to balance that to attract business,

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1 to attract people into our state, to keep our gross state  
2 product moving forward, is something that those states  
3 don't understand.  
4 I mean, we can be talking to states that  
5 have two landfills in the entire state or that bring in  
6 eight million tons of waste a year. When we start talking  
7 about the 52 million tons of waste that's generated every  
8 year and how much is diverted and how much is landfill,  
9 it's hard for those states to understand the enormity. So  
10 I think as long as we keep a presence there and keep  
11 explaining what our issues are and the importance of those  
12 issues, I think we are in a good position to influence  
13 where the federal government is going to go on a lot of  
14 these programs and at least let them understand what  
15 California sees as an issue.

16 So it was a good three days, well spent.

17 CHAIRMAN EATON: Thank you, Mr. Jones.

18 Mr. Chandler.

19 MR. CHANDLER: Thank you, Chairman Eaton.

20 Good morning, Members. Perhaps as a segway into my first  
21 area that I would like to review, one theme that we all  
22 heard loud and clear when we were on our trip earlier this  
23 month was that if the State of California can't  
24 demonstrate in the programs it's responsible for adequate  
25 diversion, adequate buy-and-recycle procurement programs,  
26 then it's a little difficult to be at the local level and  
27 hear the State preach about what additional work needs to  
28 be done through local programs. And I think we can all

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1 certainly on this Board subscribe to that notion and  
2 recognize it. With that context, I want to take a few  
3 moments to highlight our success in the area of State  
4 agency responsibility and its green building concepts  
5 involving the Capital area east-end complex.  
6 As you know, the State Consumer Services  
7 Agency Secretary Eileen Adams convened a series of  
8 meetings to significantly raise the bar on all State  
9 building projects. Our model is the east-end project,  
10 which we have now a signed letter of understanding from  
11 the Department of General Services, the California Energy  
12 Commission and the Department of Health Services and Air  
13 Resources Board.  
14 This letter of understanding establishes  
15 goals and processes to promote green state building  
16 construction on all new projects, and I believe we have a  
17 very successful -- have been very successful with respect  
18 to the east-end complex and feel strongly that Secretary  
19 Adams has joined the Board in our commitment to advance  
20 the policy, not only on green building construction, but  
21 on State Agency buy-recycle programs as well, and  
22 certainly we'll be moving and doubling our efforts with  
23 Caltrans in some of the topics we just spoke of.  
24 I would like to move on and just mention  
25 the Board's waste characterization study. Some of the  
26 members will recall that this is an approximate  
27 half-a-million-dollar effort that we undertook earlier in  
28 the year. I think it's worth if nothing just a brief

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1 update of what will really be the first statewide waste  
2 data collection effort since 1990 to update our data on  
3 what kinds and amounts of materials are still be discarded  
4 in California.  
5 What we find out from the study will  
6 improve the Board's web site database and also improve  
7 California's rigid plastic packaging container recycling  
8 rate. Winter sampling is complete. Summer sampling began  
9 this month. It should be completed by September. The  
10 final report is due at the end of this calendar year.  
11 This report will provide us with statewide  
12 waste profiles for the residential sector, self-hauled  
13 waste delivered to disposal facilities, a significant part  
14 of many jurisdictions waste, and the commercial sector  
15 with detailed waste profiles for 26 different waste types  
16 and business generators.  
17 We expect the resulting body of data will  
18 be the most extensive waste characterization database in  
19 the nation and certainly will help the Boards and their  
20 jurisdictions do a better job of managing that waste. The  
21 Board will be able to use the data when making policy  
22 decisions targeting materials in the waste stream where  
23 regions are currently disposing of such materials.  
24 Businesses will find the data valuable in  
25 directly planning their own waste prevention recycling  
26 programs or identifying potential sources of material for  
27 recycled content products. Jurisdictions can use the  
28 collected data to determine which mix of diversion

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1 programs will help them achieve and maintain mandated  
2 50-percent diversion rates in lieu of conducting their own  
3 waste characterization studies. And finally, once  
4 completed, the entire study will be available on the  
5 Board's web page.

6 And speaking of carrying our message  
7 electronically, many of you in the audience have probably  
8 noticed this kiosk of the board room. This kiosk was  
9 recovered from a used oil grantee in Santa Barbara and was  
10 refurbished inside and out, and for the past couple of  
11 months, the kiosk has been available as a public access  
12 point to the Board's outstanding web site for people doing  
13 business with the Board.

14 Beginning today, staff is taking the next  
15 step by being the Board's green team electronic-based  
16 story board, first computerized portal to the Board's web  
17 site. As you know, the green team is one of the Board's  
18 priority area teams charged with focused reduction in  
19 organic material.

20 I asked each priority team to develop a  
21 story board to depict the progress made in their area, and  
22 the green team has been working for nearly a year to brick  
23 this story board to fruition. The portal to the green  
24 team's board is an animated graphic representation of the  
25 organic system created by Christine Valensa, the graphic  
26 recorder for our 21st century and this year, and through  
27 it, it's then possible to obtain information on the green  
28 team's targets by clicking on different areas of the

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1 organic system. Most of the content of the story board  
2 will be available to staff at their desks and to the  
3 public through the internet.  
4 The kiosk also has the flexibility to  
5 promote the Board's other programs with the development of  
6 additional customized portals linked to those portions of  
7 the Board's web site.  
8 And finally, the green team and staff of  
9 the organic materials management section, our information  
10 management branch and graphic services are to be  
11 congratulated on their collaboration to this effort and  
12 making the road a future reality. I encourage the  
13 audience to stop by the kiosk during the course of this  
14 Board meeting.  
15 More internal to the workings of the Board,  
16 formation of the new Special Waste Division remains on  
17 track. Also, Dan transferred me to this new division and  
18 he notified me the Special Waste Division will be  
19 functioning as of August 1st. As you know, this division  
20 consolidates the tire, oil, and household hazardous waste  
21 programs here at the Board. The tire branch will be  
22 housed in the building currently occupied by the  
23 Permitting and Enforcement Division. The oil and  
24 household hazardous waste branches will remain in their  
25 current location on the second floor, and so far, this  
26 transition has been smooth, and I don't anticipate any  
27 problems.  
28 My last comment is our upcoming LEA

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1 conference. It's entitled "Practicing Partnership," the  
2 theme for the upcoming third annual LEA-CIWMB conference.  
3 Over 200 attendees are expected to participate in  
4 scheduled training, problem solving and the networking  
5 activities, when the conference is held from August 25th  
6 to the 27th in the Granlibakkan Conference Center near  
7 Tahoe City.  
8 The conference is part of the Partnership  
9 2000 effort aimed at improving the working relationship  
10 with the partners and the partnership between the Board  
11 and LEA5. I would like to just mention that Chairman  
12 Eaton will give a dinner speech on Wednesday, August 25th,  
13 and Board Member Jones and Don Dier will discuss Operator  
14 Certification matters from 7:00 p.m. to 9:00 p.m. on  
15 Thursday, August 26th. The Board and the California  
16 Conference of Directors for Environmental Health are  
17 sponsoring the event, and that concludes my report.  
18 Thank you.

19 CHAIRMAN EATON: Any questions?

20 Mr. Chandler.

21 MR. CHANDLER: One other notice I would  
22 like to mention. Next month our Board meeting will be  
23 held in Quincy, California. For those of you who may not  
24 be familiar with Quincy, it's sort of located northwest of  
25 here, and I think it's an opportunity for us, I believe --  
26 and I don't want to go too far out -- but it's the first  
27 time we've ventured that way. And Mr. Pennington, while  
28 he was setting the agenda, commend his efforts for all of



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1 us going up there the first time and looking at it.  
2 I think it's going to be a beneficial  
3 opportunity for all of us to view different kinds of  
4 landscape and different kinds of problems. For those of  
5 you who may plan on attending next month's meeting, it  
6 will be up in Quincy. If the weather is hot here, it's  
7 always cool in Quincy, I'm told, except that you should be  
8 aware that the U.S. Forest Service has issued their report  
9 regarding the U.S. Forest Service use of lands up there  
10 during about the same time. You may want to avoid that  
11 part of the agenda.  
12 You know, there's been a lot of information  
13 said about education this year. Our Governor has taken  
14 the lead in promoting education throughout California.  
15 This Board in the past has always given heavy emphasis to r  
16 the education component of its programs. This morning, we  
17 are fortunate enough to have a presentation about one  
18 group's efforts in a partnership with the public entity to  
19 bring the issue of education as it relates to  
20 reduce-reuse-recycle, as well as waste manage, to the  
21 people and to the young people of our great state.  
22 With that, I'd like to turn to over to Mike  
23 Mohajer who will then take us through one of the more  
24 unique, perhaps, in the State and one of the more  
25 successful ones. Mr. Mohajer, welcome and turn it over  
26 to you. Thank you.  
27 MIKE MOHAJER: Mr. Chairman, thank you.  
28 Members of the Board, good morning. For the record, my

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1 name is Mike Mohajer of the Los Angeles County Department  
2 of Public Works.

3 Today I'm here before you to do a  
4 presentation on our solid waste educational programs. We  
5 believe that these programs are essential to succeed in  
6 our waste reduction efforts, and therefore, our Department  
7 of Public Works has been allocating between \$4 million to  
8 \$5 million annually during the past several years,  
9 implementing valuable public education programs. As  
10 Senator Roberti indicated, it is very difficult to measure  
11 diversion, but the results are going to be shown a few  
12 years from now.

13 Two of our public education programs  
14 address specifically our youth, since we have a great  
15 faith and confidence that their power will generate  
16 change. Generation Earth is one of our school programs  
17 that is focussed toward teenage population, and the other  
18 program that we have for public education is known as our  
19 Mental Defenders, which addresses K-6.

20 The Generation Earth program has made  
21 significant progress, and we are encouraged at how they  
22 have been able to interact with teens on a county-wide  
23 basis.

24 I want to thank you again for giving us  
25 this opportunity to be in front of you, and I'm going to  
26 turn it over to the program manager, Mr. Abby Ybarra. All  
27 yours.

28 ABBY YBARRA: Thank you, Mike, and I want

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1 to thank the Board for allowing us to be here.

2 As Mike mentioned, we are being focussed on

3 the teenage population, and in Los Angeles, a county of 10

4 million people, there are over a million and a half

5 students in the schools. So the County has made a

6 commitment. I congratulate them.

7 My name is Ed Ybarra. I work for Tree

8 People, a private entity. I'm happy to see a government

9 agency making such a commitment, and with me today are two

10 students. Our third student had a family emergency. She

11 couldn't be here. They are just representatives of the

12 thousands and thousands of teenagers that we have engaged

13 in Los Angeles, and I just want to be very brief before I

14 allow them to speak.

15 We had one school, for example, a middle r

16 school in Northridge, California. We had a solid waste

17 reduction contest held in partnership with a local radio

18 station, teen station, and the winning school who could

19 reduce the most waste was going to get a free dance put on

20 by KIIS-FM, Rick Dees's radio station as everyone knows,

21 and Nobel Middle School was able to reduce their Dumpsters

22 from 18 Dumpsters down to three Dumpsters over an

23 eight-week period.

24 We know when teenagers get turned on with a

25 subject they can make a difference. That's just one prime

26 example of what we've been able to do engaging teens in a

27 lot of different ways, using information that we glean

28 from what advertisers do, making their message work for

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1 teens. Instead of selling them stuff, we're selling  
2 information they can use the rest of their lives, and  
3 hopefully better lives in Los Angeles County.  
4 With that, I would like to welcome Nichole  
5 Munoz.

6 NICHOLE MUNOZ: Good morning. My name is  
7 Nichole Munoz, and I'm a student at Scher High School in  
8 Montebello. We're here to represent our peers of active  
9 participants in Generation Earth and other programs which  
10 encourages students to take personal responsibility for  
11 their urban environment.  
12 We want to participate as students in  
13 making a positive change in the neighborhoods that we live  
14 in. As a member of the Western San Gabriel Valley Boys  
15 and Girls Club for six years, I have participated in many  
16 various groups and clubs that have helped improve and  
17 brighten our community.  
18 As Vice President of Keystone, a community  
19 service leadership club, we participate each year in an  
20 activity called Christmas in April. It allows us to fix  
21 up elderly citizens' homes and beautify the neighborhood.  
22 In my participation in Generation Earth, I  
23 have seen how other schools have changed their old habits  
24 and now recycle most of the things they used to throw  
25 away. This makes me strongly want to start a program at  
26 both my school and the Boys and Girls Club. I feel this  
27 will also teach the youth at the Boys and Girls Club that  
28 recycling is important.

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1 The reason I'm here to share this  
2 information with you is to give you a living example of  
3 why it is so important to get local, county and state  
4 governments to continue to support programs such as  
5 Generation Earth, which works to encourage students to  
6 learn about the issues related to the Los Angeles waste  
7 management.  
8 Generation Earth gives us the motivation  
9 and the support we need to develop our own plans and  
10 solutions and then make those plans happen. Generation  
11 Earth continues to be an essential part of the education  
12 of youth on waste reduction, while fostering a committed  
13 generation on the management of waste.  
14 We would like to see continued emphasis  
15 placed on education and encouraging young people, like r  
16 ourselves, to participate in discussions regarding public  
17 policies because we are subject to them just like everyone  
18 else.  
19 I would like to end with a quote from a  
20 student who participated in one of the Generation Earth  
21 youth programs. "Something I learned that I really want  
22 to remember is that we, as teenagers, can make a  
23 difference. I'm not going to limit myself in what I can  
24 do to change the community or school. I will know and  
25 feel that I can make a change."  
26 Thank you.

27 CHAIRMAN EATON: Thank you. Any comments?

28 CARLOS NAVAS: Hi. My name is Carlos

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1 Navas from Leuzinger High School in Lawndale.  
2 Generation Earth held a series of  
3 conferences, some of which dealt specifically with  
4 students and AB 939. During the Generation Earth  
5 conference, teams of students from 7th through 12th grade  
6 took the time to relearn about what AB 939 is all about,  
7 to be able to discuss it together, ultimately coming up  
8 with a set of recommendations for possible future  
9 amendments to this bill. Also, we identified a set of  
10 recommendations to help implement this bill.  
11 I would like to briefly review what my  
12 peers had to say on the issues. What we did at Leuzinger  
13 High school was a trash analysis exercise, and this  
14 exercise required students to carry and collect the trash  
15 for a period of one week.  
16 Students then brought the trash with them  
17 to the first session of the conference. This was where  
18 Generation Earth walked us through a general analysis of  
19 the material they had collected. As a result of this  
20 exercise, my peers learned how much of what they throw  
21 away is in fact recyclable and reusable. They also  
22 learned to reduce what they used to minimize what they had  
23 to carry through the exercise.  
24 The trash analysis workshop helped us build  
25 the notion that trash is thrown away while showing how  
26 little really needs to be thrown away. It was a unique  
27 exercise which focussed the capability of reducing and the  
28 power of choice upon the students. As a result, students

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1 came up with a set of recommendations that they wanted to  
2 present to you, the Waste Management Board, to amend AB  
3 939 and help us, as Californians, reach the 50 percent  
4 diversion goal.

5 In the book we handed out, you will find my  
6 peers' analysis of AB 939. I know we don't have any time  
7 to review it this moment, but we have included it for you  
8 to read at your convenience.

9 In terms of the possible amendments, we, as  
10 students, want to suggest following: We unanimously  
11 decided that the most important point was to change the  
12 status of AB 939 so that no one would be exempt from the  
13 law. The only way that it's possible for us to meet our  
14 goal is for everyone to participate. It should be  
15 mandatory for all to recycle, wherever possible, and r  
16 reduce their output in general.

17 We wanted to see more money given to public  
18 advertisements and education around the importance of  
19 wasting less, throwing less away and getting better habits  
20 regarding recycling and other issues. We have to keep  
21 getting the message out to the people. We thought it  
22 would be good if the recycling companies could pay more  
23 for their recycled goods collected, encouraging people to  
24 return reusable items to them. We want to see more  
25 recycling centers built which are closer to our homes in  
26 our communities.

27 We, as students, want to find a way to  
28 integrate recycling and composting through school

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1 cafeteria systems because cafeterias generate 70 percent  
2 of the waste on school campuses.

3 Finally, we want to see that there are  
4 educational programs developed to teach youth about  
5 keeping the Earth clean.

6 Thank you for your time and the opportunity  
7 to present our ideas.

8 CHAIRMAN EATON: Thank you.

9 ABBY YBARRA: In closing, I would also just  
10 like to thank the Waste Board. One of the -- part of the  
11 curriculum that we created for Generation Earth, we used a  
12 lot of your information. So some of the best information  
13 comes from the State, and in our -- this is a curriculum  
14 guide for teachers. Your name is in our appendix. We  
15 give you great credit for California Integrated Waste  
16 Management Board, and share with everyone -- no need to  
17 reinvent the wheel, but the education has been the  
18 cornerstone.

19 We do a lot of things in the media. We do  
20 a lot of teenagers with radio stations, places where they  
21 hang out and understand where they can communicate with  
22 each other, but the cornerstone has always been our  
23 classroom education program. I thank you, the Board,  
24 because the information that we use and a lot of teachers  
25 use, in the coming years there's a lot of growing emphasis  
26 on community service and service learning projects, as  
27 well as environmental education projects.

28 That is a new energy push that's happening



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1 in the schools as the curriculum shifts around, and we  
2 know everybody is going to standards. There is a lot of  
3 effort being made on the behalf of the California  
4 Department of Education, the Integrated Waste Management  
5 Board, and a lot of folks up and down the state to make  
6 this education fit the new standards. It's not something  
7 extra, it's part of the regular curriculum.

8 These students here are just an example of  
9 the many thousands of students that we have met and  
10 engaged with and hopefully change their lives and make a  
11 difference in their behavioral patterns that hopefully  
12 have a better state or for our lives in the future.

13 I want to thank you again and if you have  
14 any questions, I'll be happy to answer them.

15 CHAIRMAN EATON: Senator Roberti.

16 SENATOR ROBERTI: Mr. Chairman, just an  
17 observation based on Mr. Ybarra's and the two young  
18 students' presentations. That is, anything that we can  
19 continue to do to encourage environmental education  
20 certainly should continue to be at the top of this Board's  
21 considerations. The surest way to reeducate adults is to  
22 educate their kids first. It works almost every time.  
23 To the extent that we have these programs  
24 and operations such as Generation Earth, I guess the best  
25 I can say is we should encourage them and do more than  
26 we're doing now.

27 Thank you, Mr. Ybarra and the young people,  
28 for coming here.

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1 CHAIRMAN EATON: Mr. Jones.

2 MR. JONES: Thanks, Mr. Chairman.

3 I want to thank you for coming in and the  
4 students for coming because I think that it -- I'm the one  
5 on the seat. He wrote the bill, he fought to make sure it  
6 got passed. Dan was always working within industry and I  
7 was the one that was picking up the stuff.

8 (Laughter)

9 MR. JONES: The fact that you hit this on  
10 the head I think is critical because -- I think the one  
11 thing this Waste Board always did that was important, back  
12 in 1990, was started an educational program with the  
13 schools. Because I talk to people all the time and tell  
14 them that City Council members that are 26 years old were  
15 16 when this bill was passed and may not understand what  
16 was driving it.

17 These folks, when they start in life -- I  
18 mean in the working world -- and take public office and  
19 those types of things, will have had an educational  
20 background that makes all this very clear to them as to  
21 why we have to do it. I just hope that part of your  
22 program is to insist on buying products that are made with  
23 recycled content. Because we can collect all we want. If  
24 we don't have people demanding products made with the  
25 recycled content, then this system failed.

26 ABBY YBARRA: The students, they engage us  
27 as well. We go in -- a lot of times -- we didn't print  
28 on the brochures or anything that this was printed on

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1 recycled stock, and they would ask, "Hey, what's this done  
2 on?"

3 MR. JONES: That's good. Keep them in  
4 line. Well, congratulations and thanks for taking the  
5 time to do this. This is important, important stuff.  
6 Thank you.

7 MIKE MOHAJER: One other item, I would like  
8 to also emphasize that we forgot to mention. As a part of  
9 our program, we also address the illegal dumping problems.  
10 So that is every time that we go to school, that item has  
11 been a concern.

12 CHAIRMAN EATON: Thank you, Mr. Mohajer,  
13 for your support. Mr. Ybarra and to all the students  
14 here, I hope you will stick around as long as you can  
15 today and watch some of the things that we do as a board.  
16 And don't stop fighting. One of the problems we have --  
17 and here's another problem. You've given us a lot to  
18 think about. I would like to just give you a further  
19 challenge.

20 One of the things that we have continually  
21 had a problem with here, you may not have understood all  
22 of the nuances, but local school districts continue, as  
23 you mention the word "exemption," local school districts  
24 continue to be a problem for all of us here in not wanting  
25 to participate with local jurisdictions on recycling  
26 programs.

27 Hopefully you'll turn your efforts to local  
28 school boards and boards of education. I know you will

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1 because the presentation you made here -- if you make that  
2 same presentation you made here, I can't see how they  
3 would ever, ever not do us right.

4 I thank you. And will you do me one other  
5 favor?

6 ABBY YBARRA: Yes.

7 CHAIRMAN EATON: Please say hello to Andy  
8 Lipkis who, 20 years ago, got me to go out in some canyon  
9 in the Santa Monica mountains and plant trees. I never  
10 thought he would be wearing a tie and operating a program.

11 (Laughter)

12 ABBY YBARRA: He's changed quite a bit.

13 After this we're going to meet with some of your staff so  
14 the students can see some of the recycling products that  
15 have been generated as a result of recycling. One of the  
16 focuses that we had in this -- and I had this last comment  
17 here I want to add. We added one last "R" to the  
18 reduce-reuse-recycle. We tell the students to "rethink"  
19 and think about the way -- it's time to rethink the way we  
20 approach our lives, and then -- we emphasize recycle, but  
21 we told them it's time to rethink the way we live, and  
22 that's the challenge for the students, and they're rising  
23 to the occasion.

24 So thank you, again.

25 CHAIRMAN EATON: Thank you.

26 (Applause)

27 CHAIRMAN EATON: All right. Thank you,  
28 ladies and gentlemen.

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1 Next we have continued business agenda  
2 items. The RPPC item, I understand there will be some  
3 decisions made shortly regarding the FTC. Without  
4 objection, I would like to move to continue that until the  
5 next business meeting.

6 Hearing no objection, so shall be ordered.

7 Now move to the consent calendar. There  
8 are five items today proposed for consent calendar, Items  
9 17, 18, 19, 20 and 23. I'll repeat those one more time.  
10 17, 18, 19, 20, and 23. Would any of the Board members  
11 like any of those pulled off the consent calendar?

12 MR. PENNINGTON: Mr. Chairman.

13 CHAIRMAN EATON: Mr. Pennington.

14 MR. PENNINGTON: I'll move adoption of the  
15 consent calendar.

16 MR. JONES: Seconded.

17 CHAIRMAN EATON: Mr. Pennington moves,  
18 Mr. Jones seconds that we adopt the consent calendar.  
19 Madam Secretary, will you please call the role.

20 BOARD SECRETARY: Board Members Jones.

21 MR. JONES: Aye.

22 BOARD SECRETARY: Pennington.

23 MR. PENNINGTON: Aye.

24 BOARD SECRETARY: Roberti.

25 SENATOR ROBERTI: Aye.

26 BOARD SECRETARY: Chairman Eaton.

27 CHAIRMAN EATON: Aye.

28 Moving to new business, we have a few

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1 items that have been pulled from this Board meeting's  
2 agenda, Items 37, 38 and 39.  
3 With that, we will move to item Number 2 on  
4 our regular Board business. In addition, just for those  
5 of you who may be here late in the afternoon, at  
6 approximately 3:00 p.m. we will hear the Safety-Kleen's AB  
7 59 appeal at a time certain. That will be at 3:00 p.m.  
8 I'm sorry. Thank you for your indulgence. Item Number 2.

9           JULIE NAUMAN: Good morning, Mr. Chairman  
10 and Members. My name is Julie Nauman, Deputy Director of  
11 the Permitting and Enforcement Division.  
12 Just by way of introduction, we have ten  
13 waste facility permits for you this morning. In addition,  
14 we have two tire permits.  
15 We'll take the ten Solid Waste Facility  
16 Permits first. Just to note that five of those are from  
17 San Bernardino County, Items 7 through 11, and we will  
18 attempt to consolidate our presentation on those,  
19 highlighting the similarities and differences between and  
20 among them, but tend to take them as a package.  
21 Just let me also point out that six of the  
22 permit items that you have before you this morning do  
23 raise the issue of conformance with the County's  
24 Integrated Solid Waste Management plan. The Office of  
25 Local Assistance has reviewed each of these for us, and  
26 staff is here and available to answer any questions you  
27 may have.

28 In an effort to expedite your consideration

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1 of those particular items, we have prepared the  
2 Resolutions in a manner consistent with the language that  
3 you've utilized in the past so that the language refers to  
4 the -- is based on the intent of the Integrated Waste  
5 Management plan to provide 15-year capacity.

6 So as you look at each of those, hopefully  
7 the way we structured the Resolution will assist you. So  
8 with that, I'll ask staff to run a presentation of  
9 individual items beginning with Item 2.

10 BEATRICE POROLI: Good morning. Beatrice  
11 Poroli with the Permit Inspection Branch. This item  
12 regards the consideration of a new Solid Waste Facility  
13 Permit for the Davis Waste Removal Refuse Transfer Station  
14 in Yolo County. The proposed facility will be owned and  
15 operated by Davis Waste Removal Refuse, Incorporated.  
16 The proposed permit is for the operation of  
17 a new, large volume transfer processing facility to be  
18 located on 14.69 acres. The proposed facility will  
19 receive a maximum of 250 tons per day of non-hazardous  
20 solid waste from Davis Waste Removal collection vehicles  
21 only. Staff reviewed the proposed permit and supporting  
22 documentation and have found them to meet all of the  
23 requirements to meet page 2-3 this item and acceptable for  
24 consideration by the Board.

25 In conclusion, staff recommends that the  
26 Board adopt Resolution Number 1999-314 concurrent in the  
27 issuance of Solid Waste Facility Permit Number 57-AA-0030.  
28 Mr. Doug Tendall, representing the Local Enforcement

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1 Agency, and Paul Geisler are present to answer any  
2 questions you may have.

3 This concludes staff's presentation.

4 CHAIRMAN EATON: Questions?

5 MR. PENNINGTON: Mr. Chairman.

6 MR. JONES: Mr. Chairman.

7 CHAIRMAN EATON: It's a tie. Tie goes  
8 to --

9 MR. PENNINGTON: I'll move adoption of  
10 Resolution 1999-314.

11 MR. JONES: I'd like to second it.

12 CHAIRMAN EATON: Mr. Pennington moves and  
13 Mr. Jones seconds that we adopt Resolution 1999-314.  
14 Madam Secretary, please call the role.

15 BOARD SECRETARY: Board Members Jones.

16 MR. JONES: Aye.

17 BOARD SECRETARY: Pennington.

18 MR. PENNINGTON: Aye.

19 BOARD SECRETARY: Roberti.

20 SENATOR ROBERTI: Aye.

21 BOARD SECRETARY: Chairman Eaton.

22 CHAIRMAN EATON: Aye.

23 And Number 3.

24 REINHARD HOHLWEIN: Good morning,  
25 Mr. Chairman and Board Members. My name is Reinhard  
26 Hohlwein with the Permitting and Inspection Branch.  
27 Item 3 is consideration of the Revised  
28 Solid Waste Facility Permit for the Weaverville Transfer



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1 Station and Landfill in Trinity County. The facility is  
2 currently permitted only as a landfill and is owned and  
3 operated by Trinity County General Services. The operator  
4 is here today to answer any possible questions.  
5 After the issuance of a revised permit, the  
6 facility will be using a transfer station for the majority  
7 of the waste that will be handled by the site, municipal  
8 solid waste. Waste handled by that transfer station will  
9 be transported to Shasta County and disposed of in  
10 Anderson Landfill. The Weaverville Landfill will remain  
11 open only to accept construction and demolition waste as  
12 well as inert materials such as debris from landslides  
13 that necessitate road closures in the County.  
14 The revised permit will acknowledge the  
15 construction of the transfer station at the landfill to r  
16 handle and transfer all municipal solid waste collected in  
17 Trinity County to Shasta County. It will establish the  
18 maximum daily allowable tonnage of 45 tons per day. The  
19 average the site receives is about 15 to 20 tons per day.  
20 The previous permit did not identify a  
21 maximum, so this will be the first permit that does have a  
22 maximum figure for this site and changes the estimated  
23 closure date of the landfill to 2050 if only inert waste  
24 are disposed at the proposed rate of 15 tons per day.  
25 It will establish the cell that will be  
26 only used for inerts such as construction and demolition  
27 debris and establish a more sophisticated recycling  
28 drop-off center at the facility.

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1 The permit will not change the maximum  
2 height of the landfill, the operating hours, or the types  
3 of waste received or the current disposal footprint.  
4 There were some outstanding issues with the  
5 conformance findings. With any information you might need  
6 on that and barring any questions on that, we recommend  
7 the adoption of Resolution 1999-315 and concur in the  
8 issuance of Permit 51-AA-0013.  
9 Do we have any questions?

10 CHAIRMAN EATON: Any questions of staff?

11 MR. JONES: Just one. The inerts that are  
12 going to go in the landfill are going to pay the \$1.34  
13 surcharge?

14 REINHARD HOHLWEIN: The operator has  
15 assured me they will.

16 MR. JONES: Thank you.

17 CHAIRMAN EATON: Board Members, that I  
18 interrupt during the presentation, I apologize. In going  
19 through the Board packet, I noticed that there is a kind  
20 of "check-the-box" exercise they've asked us to engage in.  
21 So Ms. Tobias, would you like us to, once the motion is  
22 present, that the motion include the checked boxes, or  
23 would you like that done at the conclusion?

24 MS. TOBIAS: If I could add to that  
25 explanation, if you don't mind, Mr. Chairman.

26 CHAIRMAN EATON: Sure.

27 MS. TOBIAS: On the Resolutions, what we're  
28 trying to do is where staff -- for example, in the

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1 Permitting agenda today -- where staff has not yet had the  
2 opportunity to complete their review, such as on  
3 conformance findings or CEQA findings prior to the time  
4 the item comes to the Board, staff is suggesting that they  
5 present to you this Resolution, which as you said has a  
6 check-the-box section.

7 So what the public might expect to see  
8 there is the "whereas" clause that says the Board finds  
9 the proposed permit either is or is not consistent with  
10 the California Environmental Quality Act, and the same for  
11 conformance, whereas the Board finds that the proposed  
12 permit is or is not in conformance with the intent of the  
13 Countywide Integrated Waste Management Plan Siting  
14 Element.

15 So when Board Members make their motions, I r  
16 think it would be most helpful if they could try to use  
17 the Resolution line when they make their motion.  
18 Basically say, "I make a motion that the Board concur in  
19 the issuance of Solid Waste Facility Permit" whatever, and  
20 that the staff has found that the proposed permit is  
21 consistent and is in conformance.

22 Now, if the Board is denying a permit on  
23 that, we will probably have a little bit more discussion  
24 on that. That's not my understanding of items today.

25 MR. JONES: Mr. Chairman.

26 CHAIRMAN EATON: Mr. Jones.

27 MR. JONES: I would like to move adoption  
28 of Resolution 1999-315 and include that the Board finds

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1 the proposed permit is consistent with CEQA; the Board finds the  
2 proposed permit is in conformance with the intent of the CIWMB  
3 Siting element to provide 15 years' disposal capacity; whereas,  
4 the Board finds that all state and local requirements for the  
5 proposed permit have been met; now, therefore, be it resolved  
6 that the Waste Board concurs in the issuance of Solid Waste  
7 Facility Permit 53-AA-013.

9 MR. PENNINGTON: I'll second it.

10 CHAIRMAN EATON: Mr. Jones moves and Mr. Pennington  
11 seconds that we adopt Resolution 1999-315 as proposed by Mr.  
12 Jones.

13 Madam Secretary, please call the role.

14 BOARD SECRETARY: Board Members Jones.

15 MR. JONES: Aye.

16 BOARD SECRETARY: Pennington.

17 MR. PENNINGTON: Aye.

18 BOARD SECRETARY: Roberti.

19 SENATOR ROBERTI: Aye.

20 BOARD SECRETARY: Chairman Eaton.

21 CHAIRMAN EATON: Aye.

22 Number 4.

23 REINHARD HOHLWEIN: My name is Reinhard  
24 Hohlwein. Item 4 is the consideration of a Revised Solid  
25 Waste Facility Permit for the Anderson Landfill in Shasta  
26 County. This proposed revision is a revision of the 1991  
27 Solid Waste Facility Permit to address and acknowledge the  
28 following operational changes that occurred: Change in

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1 owner and operator from Republic Industries to Waste  
2 Management, Inc. That includes a land name change from  
3 Anderson Solid Waste Inc. to Anderson Landfill; the  
4 identification of two significant waste types. Hazardous  
5 and non-hazardous asbestos containing waste will be  
6 allowed and regulated by the Solid Waste Facility Permit.  
7 In the past, the facility accepted asbestos containing  
8 waste but was not regulated by our permit, and that is now  
9 required by the California Code of Regulations as being  
10 incorporated into this permit.  
11 Also a waste tire monofill will be included  
12 in the permit. I've been informed that monofill will be  
13 inactive and stay inactive. They sold their tire shredder  
14 last week, but if you have any questions, the operator is  
15 here and you can discuss that. The tire monofill was  
16 sanctioned by Conditional Use Permit issued by Shasta  
17 County in 1995. An updated copy of the permit was  
18 received from the LEA after briefing and is included in  
19 your agenda packet.  
20 This proposed permit does not change the  
21 permitted maximum tonnage from 1850 tons per day. Today,  
22 the average is quite low at 250 tons per day. The maximum  
23 height of the landfill will not change, the hours of  
24 operation will not change, and the disposal footprint will  
25 not change.  
26 Issues found during the inspection resulted  
27 in a gas leak, and we reviewed that information and it's  
28 been resolved. CEQA issues have been clarified and

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1 resolved and are now satisfactory for the Board to take  
2 action on the permit. There's a minor issue on  
3 conformance, and Zane can talk about that if you like.  
4 Outside of that, staff recommends the Board  
5 adopt Resolution 1999-316 and concur in the issuance of  
6 Permit 45-AA-0020.

7 Are there any questions?

8 CHAIRMAN EATON: Any questions of staff?

9 MR. JONES: I think I checked with closure  
10 staff. This is going to be a waste management facility,  
11 but the mechanism for post-closure is Frontier Pacific  
12 Bonds.

13 REINHARD HOHLWEIN: Correct, not CAFLA.

14 Correct.

15 MR. JONES: Okay.

16 CHAIRMAN EATON: Any other questions?

17 MR. PENNINGTON: Mr. Chairman.

18 CHAIRMAN EATON: Mr. Pennington.

19 MR. PENNINGTON: I'll throw my hand at  
20 filling in the blanks. I'll move adoption of Resolution  
21 1999-316; and the Board finds the proposed permit is  
22 consistent with the California Environmental Quality Act;  
23 the proposed permit is in conformance with the Countywide  
24 Integrated Waste Management Plan Siting Element; and  
25 requirements for the purpose of the permit have been met;  
26 and that we concur in the issuance of the permit.

27 CHAIRMAN EATON: Second the motion.

28 Mr. Pennington moves and Mr. Eaton seconds

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1 we adopt Resolution 1999-316 and concurrence of Solid

2 Waste Facility Permit 45-AA-0020.

3 Madam Secretary, please call the role.

4 BOARD SECRETARY: Board Members Jones.

5 MR. JONES: Aye.

6 BOARD SECRETARY: Pennington.

7 MR. PENNINGTON: Aye.

8 BOARD SECRETARY: Roberti.

9 SENATOR ROBERTI: Aye.

10 BOARD SECRETARY: Chairman Eaton.

11 CHAIRMAN EATON: Aye.

12 Mr. Jones.

13 MR. JONES: Just one question.

14 CHAIRMAN EATON: Sure.

15 MR. JONES: The monofill is 50 feet deep

16 and we're going to be working on monofill regs. Now,

17 they've said they're going to leave it inactive. Is there

18 something that is going -- if they decide to reactivate,

19 is there something that's going to trigger them getting

20 back to you or can they do it automatically?

21 REINHARD HOHLWEIN: Would you like to have

22 the operator to speak to that, because I would be

23 speculating.

24 MR. JONES: I think I need to.

25 RICH THOMSON: Chairman Eaton, Members of

26 the Board, my name is Rich Thomson. I'm the Compliance

27 Manager of Waste Management's western area, and we have

28 had an opportunity to review the draft regulations as they

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1 have been put on your internet site. I agree, your  
2 internet site is one of the best available.  
3 We will participate in the comment period,  
4 but our proposal would be to comply with your regulations  
5 when they come in place, but we will participate in the  
6 process.

7 MR. JONES: And this is inactive right now  
8 as this type of monofill? Are you going to notify the  
9 LEA -- are you required to notify the LEA before you  
10 activate that monofill again?

11 RICH THOMSON: Yes. We'll be going through  
12 local Conditional Use Permit process next year. If we do  
13 activate that tire monofill, we will go through their  
14 process first and come back to the Board.

15 MR. JONES: Thank you very much.

16 CHAIRMAN EATON: Thank you.

17 Next item.

18 DAVID OTSUBO: Good morning, Mr. Chairman,  
19 Members of the Board. Item number 5 regards the issuance  
20 of a Revised Solid Waste Facilities Permit for the Mecca  
21 II Landfill located near the Salton Sea in the County of  
22 Riverside.  
23 The site is currently operating under a  
24 permit issued in 1992. The revised permit's major changes  
25 would allow the site to increase permitted maximum daily  
26 tonnage from 50 tons per day to 400 tons per day. It also  
27 places a disposal acreage limit of 26.9 acres on the site.  
28 At the time the item went to print, the



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1 pre-permit inspection had not been conducted. On July  
2 14th, Board staff, in conjunction with the LEA inspected  
3 the site and found no violations of State Minimum  
4 Standards. There was a violation of Public Resources  
5 Permit for being over tonnage. However, this will be  
6 corrected by the issuance of the proposed permit.  
7 All the other necessary findings are in  
8 order except for the finding of conformance with the  
9 County Plan. If you would like, Zane Poulson of the  
10 Office of Local Assistance Team can speak to that issue.  
11 Also, Leslie Likens, a Planner with the County Waste  
12 Management Department, is present in the audience.  
13 Otherwise, staff would recommend that you  
14 concur in the issuance of this permit and adopt Permit  
15 Decision 99-317.  
16 This concludes staff's presentation.

17 CHAIRMAN EATON: I just have a couple of  
18 quick questions.

19 The daily permitted tonnage is going to go  
20 from 50 tons to 400; correct?

21 DAVID OTSUBO: Correct.

22 CHAIRMAN EATON: Is there a particular  
23 waste treatment that's an increase down there? The other  
24 situation is that the permitted disposal footprint was  
25 reduced from 53 to 26. So you're going to do more and go  
26 higher?

27 DAVID OTSUBO: The LEA can speak to the  
28 waste treatment -- actually, the permitted maximum height

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1 is 70 feet. The current permit remains 70 feet.

2 LORI HOGUE: Lori Hogue, Riverside County

3 LEA.

4 The reason for the increase in tonnage is

5 the Oasis landfill, which was adjacent to it, is now only

6 open two days a year, and so this is picking up from that

7 other landfill.

8 CHAIRMAN EATON: Okay.

9 MR. JONES: Mr. Chairman.

10 CHAIRMAN EATON: Mr. Jones. Thank you.

11 MR. JONES: I would like to move adoption

12 of Resolution 1999-317 and whereas -- okay -- for

13 consideration of a Revised Solid Waste Facility Permit for

14 the Mecca II Landfill in Riverside County and make sure --

15 to determine that whereas, the most recent Joint Waste

16 Board/LEA conducted inspection on July 14th documented no

17 violations; whereas, the Board finds the proposed permit

18 is consistent with the standards; and Board finds proposed

19 permit is in conformance with the California Integrated

20 Waste Management Siting Plan; therefore, be it resolved

21 the California Integrated Waste Management Board concurs

22 with the issuance of Solid Waste Facility Permit Number

23 33-AA-0071.

24 MR. PENNINGTON: Seconded.

25 CHAIRMAN EATON: Okay. Mr. Pennington and

26 Mr. Jones, if you could kind of withdraw your motion for

27 the time being.

28 In your explanation, you stated that the

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1 Board finds proposed permit is in conformance with the  
2 Countywide Integrated Waste Management Plan, and Senator  
3 Roberti has raised a number of issues with regard to the  
4 conformance issue and we have not resolved that.  
5 If you remember, there is a paragraph here  
6 that deals with the intent issue, and I would --  
7 Ms. Nauman, if you would talk about that issue. And as we  
8 go through what has taken place, my understanding is that  
9 while the Board, as you know, has to be prepared well,  
10 well, well in advance, that there is a Paragraph A which  
11 deals with the intent to conform while we work on that  
12 issue with regard to the Siting Element.  
13 I think that was -- I wanted to make sure  
14 that we were consistent, when I know you've raised that  
15 point in the past. r

16 SENATOR ROBERTI: Thank you for catching  
17 that, Mr. Chairman. You're absolutely right. I guess we  
18 have a proposed - -

19 MR. JONES: Mr. Chairman.

20 SENATOR ROBERTI: -- other resolution.

21 MR. JONES: Mr. Chairman.

22 CHAIRMAN EATON: Mr. Jones.

23 MR. JONES: Can I amend my resolution to  
24 include -- I noticed it as I was reading it.

25 CHAIRMAN EATON: I saw you stutter.

26 MR. JONES: I did because it was the first  
27 one that didn't have this. The "whereas" on the  
28 conformance finding should read, "Whereas, the Board finds

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1 the proposed permit is in conformance with the intent of  
2 the Countywide Integrated Waste Management Plans Siting  
3 Element to provide 15 years of disposal for the County."

4 MR. PENNINGTON: Seconded.

5 CHAIRMAN EATON: Thank you, gentlemen.

6 Mr. Jones moves and Mr. Pennington seconds

7 that we adopt Resolution 1999-317.

8 Madam Secretary, please call the role.

9 BOARD SECRETARY: Board Members Jones.

10 MR. JONES: Aye.

11 BOARD SECRETARY: Pennington.

12 MR. PENNINGTON: Aye.

13 BOARD SECRETARY: Roberti.

14 SENATOR ROBERTI: Aye.

15 BOARD SECRETARY: Chairman Eaton.

16 CHAIRMAN EATON: Aye.

17 Item number 6.

18 TAIDESE GEBREHAWARIAT: Good morning.

19 Item Number 6 regards the consideration of

20 a Revised Solid Waste Facility Permit for Sycamore

21 Sanitary Landfill in the County of San Diego. As I begin

22 my presentation, I would like to report that also

23 Ms. Rebecca Lavinier with the City of San Diego Local

24 Enforcement Agency and Mr. Mike Kaiser, the Regional

25 Engineer for Allied Waste Systems, they are here to

26 address any questions that the Board Members may have on

27 the proposed permit.

28 The Sycamore Landfill is owned and operated

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1 by Sycamore Landfill, Inc. and Allied Waste Industries  
2 Company. The proposed revised permit is to allow an  
3 increase in the rate of the maximum daily tonnage from  
4 2,500 to 3,300 tons, with the monthly maximum remaining  
5 unchanged.  
6 As is presented in the table on Page 6-3 of  
7 the agenda item, Board staff has determined that the  
8 requirements for the proposed permit have been met. Among  
9 others, the proposed design operation of the facility, as  
10 described in the submitted Report of Disposal Site  
11 Information, would allow for a landfill operation in  
12 compliance with the state minimum standards.  
13 The scope of the proposed permit is  
14 consistent with and is supported by the California  
15 Environmental Quality Act, or CEQA, document that was  
16 prepared for the project. However, staff of the Board's  
17 Office of Local Assistance did not find that the proposed  
18 is consistent with the description of the facility in the  
19 San Diego County's Siting Element. Mr. Zane Poulson is  
20 available to discuss the matters of the Siting Element.  
21 Otherwise, Board staff recommends that the  
22 Board adopt Solid Waste Facility Permit Decision Number  
23 1999-318, concurring with the issuance of Solid Waste  
24 Facility Permit Number 37-AA-0023.  
25 This concludes staff's presentation.

26 CHAIRMAN EATON: Questions?

27 MR. PENNINGTON: Mr. Chairman.

28 CHAIRMAN EATON: Mr. Pennington.

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1           MR. PENNINGTON: I'll move adoption of  
2 Resolution 1999-318 and ask it to read, whereas, the Board  
3 finds the proposed permit is in conformance with the  
4 Countywide Integrated Waste Management Plan Siting Element  
5 to provide 50 years of disposal capacity; and therefore,  
6 be it resolved that the California Integrated Waste  
7 Management Board concurs with the issuance of Solid Waste  
8 Facility Permit Number 37-AA-0023.

9           MR. JONES: I will second.

10          CHAIRMAN EATON: Okay.

11 Mr. Pennington moves and Mr. Jones seconds  
12 that we adopt Resolution 1999-318.

13 Madam Secretary, please call the role.

14          BOARD SECRETARY: Board Members Jones.

15          MR. JONES: Aye.

16          BOARD SECRETARY: Pennington.

17          MR. PENNINGTON: Aye.

18          BOARD SECRETARY: Roberti.

19          SENATOR ROBERTI: Aye.

20          BOARD SECRETARY: Chairman Eaton.

21          CHAIRMAN EATON: Aye.

22          CHAIRMAN EATON: Move to Items 7 through

23 11. Ms. Nauman, you mentioned we could take it as a  
24 cluster.

25          JULIE NAUMAN: Yes. We will attempt to  
26 expedite the presentation by pointing out the similarities  
27 and the differences. There are some issues we do want to  
28 make sure we get on the record.

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1           CHAIRMAN EATON: While we're waiting for  
2 individuals to come up, after we deal with these five  
3 items, we'll take a short break and come back.  
4 DIANNE OHIOSUMUA: Good morning, Board  
5 Members. My name is Dianne Ohiosumua. I'm here this  
6 morning representing the Board's Permitting and Inspection  
7 Branch. Seated at the table in front of me is Mark  
8 Stevens representing the San Bernardino County Local  
9 Enforcement Agency. Ron Dare is also here representing  
10 the operator. All five of the permits for San Bernardino  
11 County are very similar except for one, and the one that  
12 is not similar, that has a little difference or has some  
13 changes, is Item Number 11, which is the Big Bear Sanitary  
14 Landfill.  
15 All of the permits, proposed permits, are  
16 to modify permit language and amend the Report Disposal  
17 Site Information except for the Big Bear proposed permit  
18 is also to extend the hours and days of operations.  
19 I also wanted to make one other correction.  
20 Not a correction, but to identify another difference. If  
21 you look on agenda Item Number 9, the Mid-Valley Sanitary  
22 Landfill, the proposed permit is to modify the permit  
23 language and is also to amend the Joint Technical  
24 Document. That is one of the permits that has a Joint  
25 Technical Document instead of an RDSI. Those are the only  
26 two differences between the five permits.  
27 All of the permits do have 15 years of --  
28 all of the sites do have 15 years of capacity as it

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1 relates to the conformance.

2 Now I will begin to identify each of the

3 agenda items. The Barstow Sanitary Landfill is owned and

4 operated by the County of San Bernardino Waste System

5 Division. Its contractor is NORCAL San Bernardino, Inc.

6 Board staff and LEA have determined that the requirements

7 for the proposed revised permit have been met. However,

8 finding of conformance with the San Bernardino Countywide

9 Integrated Waste Management Plan approved by the Board in

10 October of 1997 was deferred to the Office of Local

11 Assistance, and if you would like to hear specifics

12 regarding the Siting Element, Zane Poulson is here.

13 If not, in conclusion, staff recommends

14 that the Board adopt Solid Waste Facility Permit Decision

15 Number 1999-272, concurring with the issuance of Solid

16 Waste Facility Permit 36-AA-0046.

17 CHAIRMAN EATON: Any questions regarding

18 this? Mr. Jones.

19 MR. JONES: Mr. Chairman. Just two things.

20 One, for the benefit of the audience that doesn't know

21 what the issue is on conformance, the word "description"

22 as to not only where it's located and the footprint, but

23 the issue we're struggling with is describe the tonnages

24 in the future. So we're not dismissing the conformance

25 findings, we're struggling through that right now. I

26 don't want you to think it was a non-issue because it is

27 an issue for us and we still have to work through that.

28 Every one of these San Bernardino permits



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1 does not have the amended language on the conformance  
2 finding with the intent. So we're going to have to read  
3 this addendum into each one of these permits that we do  
4 because --

5 JULIE NAUMAN: Mr. Jones, I might point out  
6 it's only Items 7 and 11 of this group that have a  
7 conformance finding issue to be addressed. All the others  
8 are consistent.

9 MR. JONES: Mr. Chairman, I would like to  
10 move Resolution 1999-272 for the consideration of Revised  
11 Solid Waste Facility Permit for the Barstow Sanitary  
12 Landfill; whereas, the Board finds the proposed permit is  
13 consistent with the standards adopted by the Board; and  
14 whereas, the Board finds that the proposed permit is in  
15 conformance with the intent of the County Integrated Waste  
16 Management Plan's Siting Element to provide 15 years of  
17 disposal capacity for the County; now, therefore, be it  
18 resolved that the Waste Board concurs with the issuance of  
19 Solid Waste Facility Permit Number 36-AA-0046.

20 CHAIRMAN EATON: I'll second that motion.  
21 Mr. Jones moves, Mr. Eaton seconds that we  
22 adopt Resolution 1999-272.

23 Madam Secretary, please call the role.

24 BOARD SECRETARY: Board Members Jones.

25 MR. JONES: Aye.

26 BOARD SECRETARY: Pennington.

27 MR. PENNINGTON: Aye.

28 BOARD SECRETARY: Roberti.

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1 SENATOR ROBERTI: Aye.

2 BOARD SECRETARY: Chairman Eaton.

3 CHAIRMAN EATON: Aye.

4 Item Number 8.

5 DIANNE OHIOSUMUA: This item regards the

6 consideration of a Revised Solid Waste Facility Permit for

7 the Colton Sanitary Landfill located in San Bernardino

8 County. The owner and operator of the existing landfill

9 is the County of San Bernardino Waste Systems Division,

10 and its contractor is NORCAL San Bernardino, Inc.

11 Board staff and the LEA have determined

12 that all the requirements for the proposed revised permit

13 have been met.

14 In conclusion, staff recommends that the

15 Board adopt Solid Waste Facility Permit Decision Number

16 1999-277, concurring with the issuance of Solid Waste

17 Facility Permit Number 37-AA-0051.

18 MR. PENNINGTON: Mr. Chairman.

19 CHAIRMAN EATON: Yes.

20 MR. PENNINGTON: I move adoption of

21 Resolution 1999-277.

22 MR. JONES: I'll second that. I'll check

23 the blocks.

24 CHAIRMAN EATON: Ms. Nauman, my

25 understanding is you said it didn't involve that, and yet

26 in the Resolution there seems to be that language.

27 Number -- I'm speaking --

28 JULIE NAUMAN: This one, I believe, is in

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1 conformance. If you look at that last "whereas," it is in  
2 conformance, so we didn't give you a box to check.

3 CHAIRMAN EATON: Is it the one with the  
4 intent?

5 JULIE NAUMAN: No, Mr. Chairman.

6 CHAIRMAN EATON: All right. I got you.  
7 wanted to make sure. Since we're having to do sort of,  
8 you know, school exercises today, I want to make sure.  
9 Sorry. Mr. Jones.

10 Not that we can't perform those tasks,  
11 ladies and gentlemen.

12 (Laughter)

13 MR. PENNINGTON: We have a motion on the  
14 floor, Mr. Chairman.

15 CHAIRMAN EATON: All right.

16 MR. JONES: I'm sorry. I didn't hear it.  
17 I'm sorry.

18 CHAIRMAN EATON: I asked to you restate  
19 your motion.

20 MR. PENNINGTON: My motion is --

21 CHAIRMAN EATON: We not only have physical  
22 exercises, we have mental exercises.

23 MR. PENNINGTON: Mr. Chairman, I will move  
24 the adoption of Resolution 1999-277.

25 MR. JONES: I'll second.

26 CHAIRMAN EATON: All right. Mr. Pennington  
27 moves and Mr. Jones seconds that we adopt Resolution  
28 1999-277.

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1 Madam Secretary, please call the role.

2 BOARD SECRETARY: Board Members Jones.

3 MR. JONES: Aye.

4 BOARD SECRETARY: Pennington.

5 MR. PENNINGTON: Aye.

6 BOARD SECRETARY: Roberti.

7 SENATOR ROBERTI: Aye.

8 BOARD SECRETARY: Chairman Eaton.

9 CHAIRMAN EATON: Aye.

10 Next item.

11 DIANNE OHIOSUMUA: I, first of all, would

12 like to let the Board Members know that Matt Slovick

13 representing the San Bernardino County Local Enforcement

14 Agency is at the table, and he is here to answer any

15 questions that you may have, along with Ron Dare, who is

16 representing the operator.

17 This item regards the consideration of a

18 revised Solid Waste Facility Permit for the Mid-Valley

19 Sanitary Landfill located in San Bernardino County. The

20 owner and operator of the existing disposal site is the

21 County of San Bernardino Waste System Division and its

22 contractor is NORCAL San Bernardino Inc.

23 Board staff and the LEA have determined

24 that all the requirements for the proposed revised permit

25 have been met. Since this item was prepared, Board staff

26 has been in the midst of discussions with the LEA

27 regarding the consistency with state minimum standards.

28 Now we have made a finding of consistency with the state

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1 minimum standards.

2 In conclusion, the staff recommends that

3 the Board adopt Solid Waste Facility Permit Decision

4 Number 1999-275, concurring with the issuance of Solid

5 Waste Facility Permit Number 36-AA-0055.

6 CHAIRMAN EATON: Okay. I' ll share the

7 wealth and try to fill in the blanks as well.

8 I'll make a motion that we adopt Resolution

9 1999-275; whereas, the most recent California Integrated

10 Waste Management Board/LEA Inspection Document, no

11 violations of state minimum standards for solid waste

12 handling disposal; and whereas, the Board finds the

13 proposed permit is consistent with the standards adopted

14 by the Board; and whereas, the Board finds that the

15 proposed permit is in conformance with the Countywide

16 Integrated Waste Management Plan Siting Element; and

17 whereas, the Board finds that all state and local

18 requirements for the permit have been met, including

19 compliance with the California Environmental Quality Act;

20 now, therefore, be it resolved that the California

21 Integrated Waste Management Board concurs in the issuance

22 of Solid Waste Facility Permit Number 36-AA-0055.

23 SENATOR ROBERTI: Second.

24 CHAIRMAN EATON: Mr. Eaton moves and

25 Mr. Roberti seconds that we adopt Resolution 1999-275.

26 Madam Secretary, please call the role.

27 BOARD SECRETARY: Board Members Jones.

28 MR. JONES: Aye.

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1 BOARD SECRETARY: Pennington.

2 MR. PENNINGTON: Aye.

3 BOARD SECRETARY: Roberti.

4 SENATOR ROBERTI: Aye.

5 BOARD SECRETARY: Chairman Eaton.

6 CHAIRMAN EATON: Aye.

7 Item Number 10.

8 DIANNE OHIOSUMUA: This item regards a

9 consideration of a Revised Facility Permit for Landers

10 Solid Waste Disposal Site in San Bernardino County. The

11 owner and operator of the existing disposal site is the

12 County of San Bernardino Waste Systems Division, and its

13 contractor is NORCAL San Bernardino, Inc.

14 Board staff and the LEA have determined

15 that all the requirements for the proposed revised permit

16 have been met. At the time this item was being prepared,

17 Board staff were in the midst of discussion with the LEA

18 regarding consistency with state minimum standards. Now

19 we have made a finding of consistency with the state

20 minimum standards.

21 In conclusion, staff recommends the Board

22 adopt Solid Waste Facility Permit Decision Number

23 1999-271, concurring with the issuance of Solid Waste

24 Facility Permit Number 36-AA-0057.

25 CHAIRMAN EATON: Questions?

26 SENATOR ROBERTI: I move Resolution

27 1999-271. You have to do the --

28 MR. PENNINGTON: You have to do your

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1 crayons.

2           SENATOR ROBERTI: Another mental exercise.

3   The crayon is, whereas, the Board finds the proposed permit is  
4   within the standards adopted by the Board. Is that the  
5   only crayon we have? With that, I move  
6   Resolution 1999-271.

7           MR. PENNINGTON: I'll second it.

8           CHAIRMAN EATON: Senator Roberti moves and Mr. Pennington  
9   seconds that we adopt Resolution 1999-271.

10          Madam Secretary, please call the role.

11          BOARD SECRETARY: Board Members Jones.

12          MR. JONES: Aye.

13          BOARD SECRETARY: Pennington.

14          MR. PENNINGTON: Aye.

15          BOARD SECRETARY: Roberti.

16          SENATOR ROBERTI: Aye.

17          BOARD SECRETARY: Chairman Eaton.

18          CHAIRMAN EATON: Aye.

19          Last item for San Bernardino, I believe.

20          DIANNE OHIOSUMUA: Vickie Sandoval is  
21   representing the San Bernardino County Local Enforcement  
22   Agency, and Ron Dare is also here representing the  
23   operator.

24   This item regards the consideration of a  
25   Revised Solid Waste Facility Permit for the Big Bear  
26   Sanitary Landfill located in San Bernardino County. The owner and  
27   operator of the existing landfill is the County of  
28   San Bernardino Waste System Division and its contractor

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1 is NORCAL San Bernardino, Inc.

2 Board staff and LEA have determined that

3 all the requirements for the proposed revised permit have

4 been met. However, findings of conformance with the San

5 Bernardino Countywide Integrated Waste Management Plan

6 approved by the Board in October of 1997 was deferred to

7 the Office of Local Assistance. If you would like to hear

8 more specifics regarding the Siting Element, Zane Poulson

9 is here.

10 If not, in conclusion, staff recommends

11 that the Board adopt Solid Waste Facility Permit Decision

12 Number 1999-321, concurring with the issuance of Solid

13 Waste Facility Permit Number 36-AA-0056.

14 CHAIRMAN EATON: Any questions?

15 MR. JONES: Mr. Chairman.

16 CHAIRMAN EATON: Mr. Jones.

17 MR. JONES: I'll move adoption of

18 Resolution 1999-321 for consideration of a Revised Solid

19 Waste Facility Permit for Big Bear Sanitary Landfill;

20 whereas, the Board finds the proposed permit is consistent

21 with standards adopted by the Board. And I'm going to

22 amend the next "whereas" to read whereas, the Board finds

23 that the proposed permit is in conformance with the intent

24 of the Countywide Integrated Waste Management Plan Siting

25 Element to provide 15 years of disposal capacity for the

26 county; therefore, be it resolved that the CIWMB concurs

27 in the issuance of Solid Waste Facility Permit 36-AA-0056.

28 CHAIRMAN EATON: I'll second.



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1 Mr. Jones moves and Mr. Eaton seconds we

2 adopt Resolution 1999-321.

3 Madam Secretary, please call the role.

4 BOARD SECRETARY: Board Members Jones.

5 MR. JONES: Aye.

6 BOARD SECRETARY: Pennington.

7 MR. PENNINGTON: Aye.

8 BOARD SECRETARY: Roberti.

9 SENATOR ROBERTI: Aye.

10 BOARD SECRETARY: Chairman Eaton.

11 CHAIRMAN EATON: Aye.

12 Thank you very, very much. Appreciate

13 your attempt to try and consolidate and move us along.

14 It's an ongoing process, and I think at least we're on the

15 road to try and consolidate.

16 JULIE NAUMAN: Thank you for your

17 indulgence in the experiment.

18 CHAIRMAN EATON: You're only taking credit

19 for the presentation, not the crayons.

20 JULIE NAUMAN: We'll have some further

21 discussions about the --

22 CHAIRMAN EATON: We'll take a short break

23 and reconvene at 11:25.

24 (Brief recess taken.)

25 CHAIRMAN EATON: Thank you. Back in

26 session.

27 Next item, Ms. Nauman, Item Number --

28 SENATOR ROBERTI: Mr. Chairman.

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1           CHAIRMAN EATON: I'm sorry. You're  
2 absolutely correct.

3 Before I begin, did anyone have any ex  
4 parte communications? I'll start to my left,  
5 Mr. Pennington.

6           MR. PENNINGTON: Yes. I had a brief  
7 discussion with Mr. Larson about the tire rights.

8           CHAIRMAN EATON: Okay. Mr. Jones.

9           MR. JONES: A quick one with Denise  
10 Delmatier on ABC futures.

11          CHAIRMAN EATON: Okay. Senator Roberti.

12          SENATOR ROBERTI: Yes, Mr. Chairman. Rita  
13 Hooker, City of Long Beach, on Item Number 15, the  
14 Nicholson Avenue.

15          CHAIRMAN EATON: All right. I had  
16 meet-and-greets with Denise Delmatier, Mark Apraya and  
17 Sean Cuff regarding the weather and meteorological effects  
18 and how it affects diversion rates. I think that's  
19 appropriate. All right. Let's go.

20          MR. PENNINGTON: Sounds like a lot of hot  
21 hair.

22          CHAIRMAN EATON: Those of you who did not  
23 catch the inside joke, there's a proposal floating around  
24 among a number of jurisdictions when we're talking about  
25 quality of diversion and numbers. Just so that there's  
26 not any inside jokes around here, that somehow because  
27 there are increased, above-average rainfalls in certain  
28 parts of the state, that somehow there should be an

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1 allowance with regard to the diversion rate due to the  
2 fact that grass grows faster when there's more rain, and  
3 therefore there's more weight, and therefore there's more  
4 disposal than diversion.

5 The counter-argument to that that's  
6 floating around in arid parts of the state is that they  
7 have no ability to grow any kind of grass, so if they  
8 would like to have it considered, they would like to take  
9 the drought years into consideration along with the wet  
10 years. So I guess that's sort of like the dry and wet  
11 test when we got to the RSU program of last year.  
12 Anyway, that's the meteorological debate,  
13 and I'm sure the weather man will give his insight at the  
14 appropriate time.

15 MR. PENNINGTON: But you can always count  
16 it's always greater on the other side.

17 CHAIRMAN EATON: Absolutely.

18 MR. JONES: Does that discussion include a  
19 reduction in the disposal rate when you go to a landfill,  
20 during that time of the year the water is adding tonnage  
21 to the weight that we're carrying? Because --

22 CHAIRMAN EATON: I don't know. Anyway,  
23 sorry. Ms. Nauman.

24 MS. NAUMAN: The next two items are items  
25 considering for Major Waste Tire Facilities and Tom Micka  
26 will present the first one, which is Item 12.

27 MR. MICKA: Good morning, Mr. Chairman and  
28 Members of the Board.

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1 Item 12 relates to the consideration of the  
2 adoption of a new Major Waste Tire Facility Permit for  
3 Used Tire King located in San Bernardino County. The  
4 project is a tire retail, wholesale and disposal  
5 operation. Existing storage area consists of  
6 approximately two acres of outdoor storage and a small  
7 warehouse and sales office. The proposed activity will  
8 store up to 200 tons of waste tires.  
9 Board staff have determined that the  
10 application meets all the requirements on page 12-3 of  
11 this item and is acceptable for consideration by the  
12 Board.

13 In conclusion, staff recommends that the  
14 Board adopt Permit Resolution Number 1999-100 approving  
15 the issuance of Major Waste Tire Facility Permit Number  
16 36-TI-0512.

17 This concludes staff's presentation.

18 CHAIRMAN EATON: Questions of staff?

19 MR. JONES: Mr. Chairman.

20 CHAIRMAN EATON: Mr. Jones.

21 MR. JONES: Having driven by this facility  
22 numerous times and seeing the great business that they  
23 do -- and they do keep this place in awfully good shape --  
24 I'll move Resolution 1999-100 and there are no  
25 check-the-boxes.

26 MR. PENNINGTON: I'll second that.

27 CHAIRMAN EATON: Mr. Jones moves and  
28 Mr. Pennington seconds that we adopt Resolution 1999-100.

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1 Madam Secretary, please call the role.

2 BOARD SECRETARY: Board Members Jones.

3 MR. JONES: Aye.

4 BOARD SECRETARY: Pennington.

5 MR. PENNINGTON: Aye.

6 BOARD SECRETARY: Roberti.

7 SENATOR ROBERTI: Aye.

8 BOARD SECRETARY: Chairman Eaton.

9 CHAIRMAN EATON: Aye.

10 Item Number 13.

11 TERRY SMITH: Mr. Chairman, Board Members.

12 Item 13 regards consideration of a Major Waste Tire

13 Facility -- Terry Smith for the record -- for Golden

14 By-Products. They want to revise their permit.

15 Golden By-Products, Incorporated is a

16 registered waste tire hauler and a holder of a Major Waste

17 Tire Facility Permit that was issued in July of 1997. The

18 Golden By-Products facility is located at 13000 Newport

19 Road in Ballico, Merced County. The operator collects

20 tires from various businesses throughout Northern and

21 Central California and has been recruited on several

22 occasions to work with the Tire Remediation Group on waste

23 tire cleanup.

24 Truckloads of tires arriving at Golden

25 By-Products are first weighed and then tires are sorted.

26 Good used tires are stored at the site until they can be

27 resold to tire dealers. Waste tires are shredded. End

28 uses for tires include alternative daily cover for

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1 landfills and tire-derived fuel for cogeneration plant.  
2 The current permit allows the operator to  
3 store up to 85,000 waste tires or 850 tons of passenger  
4 tire equipment. The proposed permit revision will allow  
5 the storage of up to 150,000 waste tires or 1,500 tons of  
6 passenger tire equipment.  
7 The storage capacity is the only proposed  
8 change. Staff has drafted a Major Waste Tire Facility  
9 Permit for the Board's consideration that reflects the  
10 increase in maximum permitted capacity. The permit is  
11 included as Attachment Number 1 of this item.  
12 on May 10th, 1999, staff conducted a  
13 pre-permit inspection of the facility and found the  
14 facility in compliance with all state minimum standards  
15 for tire storage and disposal. However, on the day of our  
16 inspection, the operator was exceeding the maximum  
17 permitted capacity or tonnage limit.  
18 Therefore, staff documented a violation of  
19 Public Resources Code Division 30, Section 42845 for  
20 operating outside terms of the permit. With the Board's  
21 approval and the issuance of this proposed permit, this  
22 violation will be corrected.  
23 Staff has determined that all of the  
24 requirements to obtain a Major Waste Tire Facility Permit  
25 have been satisfied including verification that all local  
26 requirements have been met, financial assurance and  
27 operating liability requirements, national fire standards  
28 for outdoor storage of rubber tires, state minimum

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1 standards for tire storage, and the California  
2 Environmental Quality Act requirements.  
3 In conclusion, staff recommend that the  
4 Board adopt Permit Decision Number 1999-322, approving the  
5 issuance of Waste Tire Facility Permit Number 24-TI-0656.  
6 Janna and Karen Barstow representing Golden By-Products  
7 are present and available to answer questions that you may  
8 have.  
9 This concludes staff presentation.

10 CHAIRMAN EATON: Any questions of either  
11 staff or the operator?

12 MR. PENNINGTON: Mr. Chairman.

13 CHAIRMAN EATON: Mr. Pennington.

14 MR. PENNINGTON: I'll move adoption of  
15 Resolution 1999-322.

16 CHAIRMAN EATON: I'll second that motion.  
17 Mr. Pennington moves and Mr. Eaton seconds  
18 that we adopt Resolution 1999-322.

19 Madam Secretary, please call the role.

20 BOARD SECRETARY: Board Members Jones.

21 MR. JONES: Aye.

22 BOARD SECRETARY: Pennington.

23 MR. PENNINGTON: Aye.

24 BOARD SECRETARY: Roberti.

25 SENATOR ROBERTI: Aye.

26 BOARD SECRETARY: Chairman Eaton.

27 CHAIRMAN EATON: Aye.

28 Members, we have three items left in the

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1 Permits, LEA and Facility Compliance. Two of those deal  
2 with tire regulations and one deals with proposed revision  
3 to those regulations.

4 It's been suggested by staff that if we  
5 take the one item that deals with the 2136 program and  
6 then take up the other two items that deal with tires, it  
7 might be helpful rather than trying to break it up. If  
8 you don't have a problem with that, we can proceed and  
9 take up the item that was in between there. Simply  
10 because it was put on the agenda in chronological  
11 sequence, it was not consistent with that. If that's not  
12 a problem we can take care of the 2136 and then take the  
13 item that involves the regulations and monofill status.  
14 Hearing none, that's what we'll do.

15 Mr. Walker, thank you. We will take agenda  
16 Item Number 15, taking that just out of order.

17 SCOTT WALKER: Good morning. Scott Walker,  
18 Permitting and Enforcement Division.

19 This item presents consideration of new  
20 sites for remediation pursuant to the Solid Waste Disposal  
21 and Codisposal Site Cleanup or AB 2136 program. Two sites  
22 are included in this agenda item, the 38th Street Burn  
23 Dump Site in San Diego County and Nicholson Avenue Illegal  
24 Disposal Site in L.A. County. Because of liability  
25 concerns, the 38th Street Site will not be considered at  
26 this Board meeting but will be continued to a future Board  
27 meeting pending resolution of those concerns.

28 The Nicholson Avenue Site is located in an



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1 industrial, low income area spanning both of the cities of  
2 Long Beach and Los Angeles. Illegal dumping at this site  
3 has occurred on a public Street, principally over the past  
4 seven years. Both City Fire Departments have responded  
5 numerous times to fires at this site.  
6 The adjacent property owner, which is the  
7 Budd Company, which is owned by a Mr. Budd Smithers, has  
8 been identified as the responsible party for the illegal  
9 dumping and is being subject to ongoing enforcement and  
10 criminal legal action by the City of Long Beach. The Budd  
11 Company owns property adjacent to the site and is a  
12 non-franchise refuse collection and equipment rental  
13 business.  
14 Approximately 7,000 cubic yards of  
15 contaminated soil, construction debris, metals and tires  
16 are present at the site. The construction debris consists  
17 of asbestos-containing materials, roofing tile, wood,  
18 metal, household hazardous waste and other organic refuse.  
19 Soil and ash are commingled with the waste. It is  
20 contaminated with California hazardous levels of lead and  
21 cadmium. The levels detected do not exceed thermal,  
22 hazardous or RCRA levels.  
23 Board staff have concluded that what's  
24 needed at this site is to segregate the solid waste and  
25 household hazardous waste from the contaminated soil. The  
26 contaminated soils would be disposed to a Utah rail haul  
27 facility. Recyclable waste including the metals,  
28 vehicles, appliances and tires, would be recycled to the

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1 extent practical. The remaining solid waste and household  
2 hazardous waste would be disposed or processed to a  
3 licensed household hazardous waste facility with the  
4 household hazardous waste management being coordinated  
5 with the City of Long Beach. Finally, the project would  
6 include regrading the site.

7 The total estimated cost is \$548,000.

8 Evaluating the AB 2136 program criteria reveals the  
9 following: The site prioritization, staff would conclude  
10 is A-1, which is the highest priority, confirmed pollution  
11 with proximity to residences, violations of site security,  
12 Title 27 violations of site security, litter, nuisance and  
13 hazardous waste are present.

14 In terms of unable to unwilling criteria,  
15 the City of Long Beach has done extensive enforcement and  
16 legal action against the identified responsible party, and  
17 that is ongoing. The maximization of available funds --  
18 there is available funds in Board-managed contracts.

19 Staff have evaluated loans and grants and determined that  
20 these would not be options for this particular cleanup.

21 In addition, the City of Long Beach has contributed  
22 significant in-kind services and also earmarked \$100,000  
23 to reimburse the Board.

24 In addition, the City of Los Angeles has  
25 committed to, by virtue of their City Council meeting, a  
26 contribution of \$50,000 to the project. In addition, the  
27 responsible party will be subject to the Board's Cost  
28 Recovery Policy, and at the present time the City of Long

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1 Beach is assisting the Board in coordinating that effort.

2 Staff concludes that the criteria has been

3 met for an AB 2136 Board-managed project. In conclusion,

4 staff recommends adoption of Resolution 1999-326,

5 approving a Board-managed Remediation Project for the

6 Nicholson Avenue Illegal Disposal Site, Los Angeles

7 County.

8 This concludes the staff preparation.

9 Representatives are in attendance to present testimony

10 from the City of Long Beach on this item. In addition, we

11 have a representative from the City of Los Angeles here to

12 answer any questions.

13 CHAIRMAN EATON: Questions?

14 MR. PENNINGTON: Yes, Mr. Chairman. I

15 would like to know a little bit more about what legal

16 action the City of Long Beach has taken against Mr. Budd.

17 CHAIRMAN EATON: I have three individuals

18 with speaking slips, Ms. Rita Hooker from City of Long

19 Beach, Don Folsay -- hopefully I pronounced that

20 correctly -- from the Long Beach Fire Department, and

21 Sharon Diggs-Jackson from the City of Long Beach. Each

22 and every one of you or one of you can make a presentation

23 and respond. Mr. Pennington is inquiring.

24 RITA HOOKER: My name is Rita Hooker. I'm

25 the City of Long Beach Waste Manager Officer. I can

26 answer your question. In fact, that's one of the things I

27 wanted to update you on.

28 There is a restitution hearing currently

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1 set for September 27th for the case against Mr. Smithers.

2 At that time, the City will present its economic losses as  
3 well as the State's, and the Judge will take that into  
4 consideration. We're hoping at that time to have some  
5 good estimates or some hard numbers that we can present to  
6 the Court.

7 I've also been told we would like to have  
8 someone from Board staff attend that hearing when it is  
9 held in case there's any questions or they have to provide  
10 testimony.

11 MR. PENNINGTON: One other question. There  
12 seems to be a chronic violator. Can't the City revoke his  
13 business license?

14 RITA HOOKER: He never had a business  
15 license in the first place.

16 MR. PENNINGTON: Hard to revoke then.

17 RITA HOOKER: I'll have Sharon  
18 Diggs-Jackson, she's our City's Nuisance Abatement Officer  
19 fill you in a little bit.

20 SHARON DIGGS-JACKSON: To give you more  
21 information on the criminal prosecution, the case was  
22 concluded on June the 25th, and as part of the sentencing  
23 he was convicted of four misdemeanor counts. Those counts  
24 included Code violations, two counts of commercial dumping  
25 and creating a public nuisance. He was fined a total of  
26 \$4,000 at that time and placed on five years probation.  
27 And we still have the restitution hearing that will happen  
28 in September.

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1 MR. PENNINGTON: Okay. Thank you.

2 SENATOR ROBERTI: Mr. Chairman.

3 CHAIRMAN EATON: Senator Roberti.

4 SENATOR ROBERTI: I would just like to add  
5 on this, I did visit the site, and the City of Long Beach  
6 has been very diligently trying to A, clean it up, and B,  
7 bring the culprit to terms. It appears the Court has gone  
8 sort of soft on him. I hope at this latest hearing that  
9 changes, but it is a true health blight on the public  
10 street. It's incredible that this thing has sort of built  
11 up over time. I don't think we can blame the City of Long  
12 Beach for a problem that has occurred there, and I think  
13 that merits our support.

14 MR. PENNINGTON: Mr. Chairman.

15 CHAIRMAN EATON: Mr. Pennington. V

16 MR. PENNINGTON: If there's no further  
17 discussion, I would be happy to move adoption of  
18 Resolution 1999-326.  
19 I would like to comment. I hope I didn't  
20 sound like I thought the City wasn't doing their job,  
21 because I think they have done an excellent job. I was  
22 just curious as to what was happening.

23 SHARON DIGGS-JACKSON: That's been one of  
24 my foremost questions, too, so I appreciate that.

25 MR. JONES: I would like to second that and  
26 I would just like to add a quick comment before we take a  
27 vote.

28 CHAIRMAN EATON: Please.

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1           MR. JONES: First off, I want to commend  
2 the City of Long Beach and for getting the City of L.A.  
3 involved, too. When you look at this property, there's  
4 not much that belongs to the City of L.A. I also think it  
5 raises to the level of importance to understand that  
6 there's not only the two folks from Solid Waste, but the  
7 Battalion Chief from the City of Long Beach felt there was  
8 enough of a health issue and a fire issue that he needed  
9 to be up here to assure that.  
10 My question is on the restitution hearing.  
11 Is there -- if this vote is affirmative, which I'm  
12 assuming it's going to be, and we start the process, would  
13 you be able to hold that restitution hearing or put it  
14 into -- continue it to a later date when you get a hard  
15 number? Because this is exactly what this Board has  
16 always talked about with restitution, and we've had some  
17 issues in other parts of the state where legal has dropped  
18 the ball once they got our money.  
19 So I'm glad to see what you folks have  
20 done, that you are to be commended.  
21 SHARON DIGGS-JACKSON: We posed that  
22 question also and Todd has assured you that we have pretty  
23 firm numbers in terms of the cost. We have detailed  
24 assessments of that, not only by the two cities, but as  
25 well as the state cost, and our city prosecutor is really  
26 concerned and wants to make sure we have as many numbers  
27 as we can when we go before the Judge. So we're working  
28 on that.

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1 MR. JONES: You may be a poster child.

2 SHARON DIGGS-JACKSON: Just one other

3 comment, that I think we both learned a lesson, both of

4 the cities learned a lesson, the importance of our working

5 together. The project had existed for some years, and it

6 wasn't until the two cities decided to work collectively.

7 We went after them with all of the enforcement on both

8 sides of the fence, and both cities have learned a lesson.

9 We know that if you want to get something

10 done, we have to work in concert, because I think

11 Mr. Smithers played the two cities against each other for

12 a number of years.

13 We're looking forward to it.

14 CHAIRMAN EATON: There's a motion before

15 us. Mr. Pennington moves and Mr. Jones seconds that we V

16 adopt 1999-326.

17 Madam Secretary, please call the role.

18 BOARD SECRETARY: Board Members Jones.

19 MR. JONES: Aye.

20 BOARD SECRETARY: Pennington.

21 MR. PENNINGTON: Aye.

22 BOARD SECRETARY: Roberti.

23 SENATOR ROBERTI: Aye.

24 BOARD SECRETARY: Chairman Eaton.

25 CHAIRMAN EATON: Aye.

26 SHARON DIGGS-JACKSON: Can I just make one

27 final comment? We got a lot of help from the staff and

28 wanted to commend Marge Rouch, Todd Elmer and Scott

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1 Walker.

2 We really didn't know what we were doing.

3 I remember making a frantic phone call to Marge saying,

4 I've read about this, but can you educate me? I just

5 wanted to pass that along. They've helped us a lot

6 through the process, so thank you.

7 CHAIRMAN EATON: Thank you. Turning to

8 Agenda Items 14 and 16, however you want to proceed

9 Ms. Nauman.

10 MS. NAUMAN: Just by way of a little bit of

11 background, let me remind the Board that beginning in

12 June, we brought before you an item that addressed three

13 tire storage exclusions that had been repealed or modified

14 through emergency regulations that were scheduled to

15 expire during July. These exclusions included indoor

16 storage, the general storage exclusion, and the recycling

17 exclusion.

18 In June, you directed us through two

19 resolutions to do two different things. First, you

20 directed us to submit the emergency regulations back

21 through the Office of Administrative Law for an extension.

22 Second, you directed us to bring

23 regulations back to you at this meeting and to include in

24 that package four additional items, which include the

25 storage of crumb rubber on-site, trust fund structure, use

26 of closure insurance, and a review of all the definitions

27 related to the definition of "waste tire." Those four

28 items have been included in the packet agenda item that



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1 you have before you.  
2 Just to give an update on our activities  
3 since that time, we did submit the emergency rate package  
4 for the three exclusions to the Office of Administrative  
5 Law and did receive an extension dated the, 2nd of July.  
6 That extension is good for 120 days, which takes us to  
7 October 30th of this year.  
8 Staff recommends to the Board -- and while  
9 we can have further discussions on the items, but our  
10 recommendation at this time is to encourage you to at  
11 minimum direct staff to move forward with the commencement  
12 of the 45-day review period for the exclusion package that  
13 has been the subject of emergency regulations while we  
14 have the extension in place. There is still a significant  
15 amount of work that needs to be done on that packet.  
16 I also want to alert you that it is very  
17 likely we will not be able to complete all the work that  
18 still needs to be done on the packet prior to October  
19 30th. We will likely need to go back to the Office of  
20 Administrative Law one final time to ensure these  
21 regulations become permanent.  
22 In our discussions with the Office of  
23 Administrative Law, I believe there's an understanding  
24 that as long as we keep moving this package along and  
25 continue to make substantial progress, we would not have  
26 difficulty in obtaining that final extension if it becomes  
27 necessary.  
28 So again, our recommendation is that you

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1 move forward with the emergency rate package that includes  
2 the exclusions, appeal and modification of those  
3 exclusions, so we can formally begin the 45-day review  
4 period.

5 MR. JONES: Permanent, not emergency?

6 MS. NALJMAN: The current status is  
7 emergency to ensure that they become permanent  
8 regulations.

9 CHAIRMAN EATON: Any questions, comments,  
10 discussion?

11 MR. JONES: Mr. Chairman.

12 CHAIRMAN EATON: Mr. Jones.

13 MR. JONES: I have no problem starting  
14 with this clock. There's two issues I would like to bring  
15 up to see what the other Board Members say.

16 One is on the trust fund. We had in the  
17 reg package, it says that -- this is on 14-10 -- that the  
18 initial deposit to the trust fund shall be at least equal  
19 to the current closure cost, which means 100 percent  
20 funding. I think we're going to exclude some businesses.  
21 I'm wondering if the solution -- if the  
22 Board felt comfortable with the mechanism we put in place  
23 for -- I think it was Takallou and --

24 MS. NAUMAN: CRM.

25 MR. JONES: -- CRM, where the permit was  
26 for 80,000 tires but they had only funded 20 percent. We  
27 only allowed them a fifth of those. I think it was 16,500  
28 tires on-site, and while the permit was issued for 80,000,

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1 so they didn't have to come back every time they did a  
2 contribution, the permit **was** clear they could only have as  
3 many tires on the premises as the fund was -- as the trust  
4 fund had been funded.  
5 I'm wondering if we need to think about  
6 that a little bit because we may be excluding potential  
7 businesses because they lack the ability to -- to fund  
8 Completely, and if they were to get a permit for 100,000  
9 tires but funded 20 percent, then obviously they could  
10 only have 20,000 tires on-site and go up as they fund, to  
11 give them the ability to grow a business. Six and one  
12 half dozen of the other, but I think I would like to know  
13 how -- if the Board Members think there is some viability  
14 and they're trying to move some of these businesses. Just  
15 as an option, to see if we can't get more people out there V  
16 that could actually be part of the solution.  
17 I want to throw that out there because it's  
18 directly in contrast to what's been -- or it's a change of  
19 what's been proposed.

20 CHAIRMAN EATON: Response to Mr. Jones'  
21 inquiry?

22 MR. PENNINGTON: I certainly think we  
23 should look at that. I don't know whether issuing a  
24 staged permit or just having them continue to come back.  
25 I agree that we don't want to just arbitrarily put people  
26 out of business or make them get very small permits. I  
27 think we ought to look at it.

28 SENATOR ROBERTI: Mr. Chairman.

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1           CHAIRMAN EATON: Senator Roberti.

2           SENATOR ROBERTI: As I understand it,  
3 talking to staff, we are prepared to deal right now with  
4 the repealing of the -- with regulations that repeal the  
5 exclusions, and the rest of the portion of this item,  
6 including the aspect of the trust fund which Mr. Jones has  
7 raised, which is an important aspect, can and probably  
8 should be dealt with at another meeting when we think of  
9 the whole thing on a more comprehensive basis. But to  
10 sort of move our timetable along, I would like to amend or  
11 offer in substitution to our Resolution.

12 MS. NAUMAN: Mr. Roberti and Board Members,  
13 you don't have a Resolution on this item. What we're  
14 looking for is direction.

15           SENATOR ROBERTI: I would like to move or  
16 hope the Board gives direction, whichever methodology the  
17 Chair wants to employ, that we move ahead with repealing  
18 the exclusions for the facilities because it appears that  
19 we are prepared to do that. I don't know that we can do  
20 that this month because we don't have a Resolution before  
21 us. We can?

22 And then the rest of the matter, the  
23 regulations that deal with definitions -- hauler, storage  
24 requirements, and monofills -- as well as the matter of  
25 the trust fund which Member Jones has raised, come back to  
26 us at the September meeting.

27           MR. PENNINGTON: If the Senator would like  
28 to put that in a motion, I'll be happy to second it.

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1           SENATOR ROBERTI: I'll so move.

2           MR. PENNINGTON: I'll be happy to second  
3 it.

4           CHAIRMAN EATON: Just for purposes of  
5 clarification, I think what you're saying, we'll do the  
6 exclusions now and do all of the other part, whether it be  
7 definitions or other regulatory components, whatever they  
8 might be, at the September meeting. Now, there may very  
9 well be more than one September meeting, but it will be at  
10 one of those meetings that meets with all of our  
11 schedules. If that kind of crystallizes it, just for the  
12 purposes -- Mr. Jones.

13          MR. JONES: Are we also saying that that is  
14 running concurrently with the 45-day comment period?

15          SENATOR ROBERTI: Yes.

16          MR. JONES: So the 45-day comment period  
17 starts when we're doing this. Okay. No problem.

18          MR. PENNINGTON: I might add that I  
19 encourage the staff and the Board and the interested  
20 parties to continue to work on this while we're moving  
21 down the road.

22          CHAIRMAN EATON: All right. With regard to  
23 that, is there any need for a motion or just straight  
24 direction?

25 MS. TOBIAS: I think it's better in a  
26 motion.

27          CHAIRMAN EATON: All right. We'll do that.

28          SENATOR ROBERTI: So moved.

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1 MR. PENNINGTON: Second.

2 CHAIRMAN EATON: All right. You guys are  
3 really -- I don't have to fill in the blank, but you made  
4 me do this. I know, I know, I know -- you can't say that.  
5 You can't say that. But you know, I would support either  
6 legislation or a motion to that effect.

7 MR. PENNINGTON: -- includes former  
8 Chairmen.

9 CHAIRMAN EATON: Anyway, just for  
10 clarification, Senator Roberti moves and Mr. Pennington  
11 seconds that we do the exclusion now as it relates to the  
12 Waste Tire Facility Regulations, and that we bring back at  
13 one of the September meetings to determine the date the  
14 other components for monofill definitions and other  
15 regulatory components in September.

16 SENATOR ROBERTI: Yes.

17 CHAIRMAN EATON: Madam Secretary, please  
18 call the role.

19 BOARD SECRETARY: Board Members Jones.

20 MR. JONES: Aye.

21 BOARD SECRETARY: Pennington.

22 MR. PENNINGTON: Aye.

23 BOARD SECRETARY: Roberti.

24 SENATOR ROBERTI: Aye.

25 BOARD SECRETARY: Chairman Eaton.

26 CHAIRMAN EATON: Aye.

27 SENATOR ROBERTI: Mr. Chairman.

28 CHAIRMAN EATON: Senator Roberti.

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1           SENATOR ROBERTI: In a related matter, in  
2 speaking to the staff of Senator Escutia, I would hope  
3 that at the September meeting that we could bring up the  
4 matter of support for SB 876. I understand that our  
5 position on this matter is one reason for her hesitation  
6 in pursuing this year her legislation.

7           CHAIRMAN EATON: All right. I don't think  
8 that to be a problem. I think we will have a number of  
9 items we'll have to take up in that.

10          SENATOR ROBERTI: In September or whenever  
11 you want.

12          CHAIRMAN EATON: Yes. September, they're  
13 gone, the 10th.

14          SENATOR ROBERTI: Better do it in August.  
15 Better do it in August. V

16          CHAIRMAN EATON: So we can move that and we  
17 can go from there, start moving those items for the August  
18 meeting in Quincy.  
19 Next item.

20 MS. NAUMAN: Mr. Chairman, I want  
21 clarification that that motion included any consideration  
22 of the monofill tire regs or do you want --

23          SENATOR ROBERTI: I think I said monofills.

24 MS. NAUMAN: I think so --

25 MS. TOBIAS: I do believe the motion did  
26 include monofills. I did have the same question,  
27 Ms. Nauman, as to whether we were going to pick up Item  
28 16. I do believe your motion did address that.

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1 MS. NAUMAN: That completes the P and E  
2 items.

3 MR. JONES: Mr. Chairman.

4 CHAIRMAN EATON: Mr. Jones.

5 MR. JONES: Just a quick question. On the  
6 tire monofill rate, I got the tire report. I got to look  
7 at it. There seems to be some conditions to ensure -- and  
8 just a little backup for the Senator and for the  
9 Chairman, that when we started these tire monofill regs,  
10 we were worried that we were going to be putting a reg  
11 package together that could result in a problem as far as  
12 fires or things like that because of the nature of  
13 shredded tires, and we asked that Dan Humphrey and others  
14 get involved to make sure it's right.  
15 All I want to say is, during this 45-day  
16 comment period, I want to look closely at some of these  
17 issues because there are some conditions, like tires not  
18 having any oil on them, that in the real world, folks,  
19 tires have oil on them when. That's why they've been  
20 discarded; and if that's going to promote tire fires in  
21 shredded monofills, then I think we really need to  
22 understand that because I don't want to see this Board  
23 promote something that could turn out to be a problem.  
24 I'm not saying it's going to, I just want  
25 to spend some time really reviewing that because some of  
26 these conditions are very onerous and I'm not sure how  
27 we're going to be able to enforce it, so I just mention  
28 that as an issue because it could be a problem in my



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1 humble view.

2 CHAIRMAN EATON: All right. Thank you

3 for your efforts this morning and your willingness to go

4 out on the edge in your presentation.

5 I think at this time I would like to see if

6 we can't knock out Items 21 and 22 and take our normal

7 lunch hour. I don't believe that we should be breaking

8 later so we go past that time, and then try and reconvene

9 about 2:00, which will then give us about 13 remaining

10 items on today's agenda which will complete the agenda and

11 make the necessity for a second day not necessary. Sort

12 of redundant.

13 We do have a closed session, I should

14 remind Board Members, as well. So if we can just try and

15 start with Item 21. Item Numbers 17, 18 and 19 have r

16 already been approved as part of the consent calendar.

17 Take 21 and 22 and take our lunch break. Thank you.

18 LORRAINE VAN KEKENX: Lorraine Van KeKenx

19 with the Diversion Planning and Local Assistance Division.

20 We're awaiting the arrival of the city representatives.

21 They are not here. Staff can proceed to give you our

22 presentation, but if you have questions for the cities,

23 they are not here.

24 CHAIRMAN EATON: Okay. We can proceed, if

25 that's okay with everyone. Go ahead.

26 LORRAINE VAN KEKENX: Kaone Cruz will be

27 making the presentation.

28 KAONE CRUZ: Good morning, Chairman and

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1 1990 base-year tonnage, generation tonnage, is 122,513  
2 tons, and the proposed tonnage for 1995 as the base-year  
3 is 276,441 tons.

4 CHAIRMAN EATON: So the percentage would  
5 move from 13.4 to 14.5. Is that what you're trying to do?  
6 KAONE CRUZ: Right.

7 CHAIRMAN EATON: It would be helpful  
8 sometimes just to find out what the numbers would be  
9 moving, and before we get ready to move, with the  
10 indulgence of the -- I understand, but it also saddens me  
11 that this is another perfect example of where we, as a  
12 Board, look at a jurisdiction. I think, Senator, you made  
13 a comment earlier about, I think, particular jurisdiction.  
14 If you look into the audience, there's only one  
15 representative, and I thank you, Mr. Mohajer, for staying  
16 here through this period of time of local government where  
17 we sometimes get accused of doing numbers. This is a  
18 perfect example where people have not tremendous numbers  
19 at all. If you look at some of the other jurisdictions,  
20 if they have made the good faith efforts, under various  
21 circumstances, some that the Senator mentioned, others  
22 that we have that are a leader in green building, leader  
23 green procurement, what have you.  
24 This is the kind of example, I think that  
25 you look at when local government asks us, if they're  
26 here, what would we look at as a good faith effort? I  
27 think we can point to these kinds of jurisdictions that  
28 make this kind of presentation and effort, that it really

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1 is in numbers. And the numbers don't tell the whole  
2 story, they do tell a little bit of the story. And  
3 perhaps how hard it is to get a lot of economic activity,  
4 a lot of recreational activity, as we've heard in other  
5 places in Southern California, and to some extent Northern  
6 California. Enough of my soap box. I just really wish  
7 that others could be seated here.

8           MR. JONES: Mr. Chairman. I agree with  
9 what you're saying. When you look at this City, it does  
10 have a lot of perhaps. They've also got a population of  
11 90,000 people. If you were to just divide that into the  
12 waste stream, you'd be at 16 pounds per person per day,  
13 but they have a work force that comes into that city every  
14 day that includes 350,000 people.  
15 The combination of those two drops us to  
16 5.6 pounds per person per day. It's clear that number is  
17 an indicator, and this program's success goes along with  
18 what you're saying. To take three times your population  
19 in the work force, with a daily work force, and be able to  
20 do programs that get you to 24 percent in '96 -- and  
21 actually, I've heard even quite a bit higher in '97, but  
22 I'd just assume not use that number -- is about programs. a  
23 And that being said, I would like to move adoption of  
24 Resolution 1999-252 to change the base-year to 1995.

25           CHAIRMAN EATON: All right.

26           MR. PENNINGTON: I'll second it.

27           CHAIRMAN EATON: Mr. Jones moves and  
28 Mr. Pennington seconds as it relates to the base-year

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1 Board Members. I am Kaone Cruz with the Office of Local  
2 Assistance. Agenda Item 21 is consideration of staff  
3 recommendation to change the base-year for the City of  
4 Santa Monica to 1995 for the previously approved source  
5 reduction and recycling element, and consideration of the  
6 biennial review findings for the source reduction and  
7 recycling element for the City of Santa Monica in Los  
8 Angeles County.

9 Regarding the 1995 issue of change, the  
10 jurisdiction has requested to change the base-year from  
11 1990 to 1995 based on the data collected from the  
12 recyclers, haulers, and from the other diversion activity  
13 done by private facility. Mr. Joe Delaney is planning to  
14 attend the meeting, but he has not arrived as of yet. If  
15 you have any questions, please ask him later today.

16 To estimate the waste generation in 1995,  
17 the City used disposal data from the Disposal Reporting  
18 System and compiled information for the diversion data  
19 from the following activities: Cities residential and  
20 recycling collection, contract haulers mixed waste paper  
21 collection, green waste used for alternative daily cover,  
22 processing of recyclable material in commercial sector,  
23 and diversion of demolition material to document the  
24 diversion times.

25 The City obtained recycling tonnage from  
26 one manufacturing facility which was readily available to  
27 the City at this time. Therefore, the diversion tonnage  
28 is considered to be a conservative estimate. Board staff

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1 has determined that the request has been adequately  
2 documented and is consistent with previous Board standards  
3 for accuracy. Therefore, staff recommends that the  
4 requested change of base-year to 1995 be approved.  
5 Biennial review. Staff also conducted a  
6 biennial review of the City's SRRE. The City has made  
7 good progress in implementing a variety of programs for  
8 its residential, industrial, and commercial sectors. The  
9 city implemented to place 100 recycling drop-off zones  
10 throughout the City and adopted the Sustainability  
11 Guidelines in 1994. The City views that waste reduction  
12 and recycling provide a sustained number of solutions to  
13 the program associated with solid waste disposal. The  
14 City has implemented that -- system for all the  
15 residential, multi-units, and commercial sectors.  
16 The Board staff found that the City has  
17 made a good faith effort to comply with the SRRE  
18 implementation requirements and recommends that the Board  
19 accept this finding.  
20 This concludes my presentation.

21           CHAIRMAN EATON: Any questions? I just  
22 have one. They want to move from what number to what  
23 number?

24 KAONE CRUZ: Base-year?

25           CHAIRMAN EATON: While we're looking that  
26 up, two motions -- one that regards the adjustment, the  
27 second regarding good faith efforts.

28 KAONE CRUZ: Yes. Prior Board-approved

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1 adjustment for the City of Santa Monica.

2 Madam Secretary, please call the role.

3 BOARD SECRETARY: Board Members Jones.

4 MR. JONES: Aye.

5 BOARD SECRETARY: Pennington.

6 MR. PENNINGTON: Aye.

7 BOARD SECRETARY: Roberti.

8 SENATOR ROBERTI: Aye.

9 BOARD SECRETARY: Chairman Eaton.

10 CHAIRMAN EATON: Aye.

11 Now we have the second resolution which

12 deals in good faith efforts.

13 SENATOR ROBERTI: I just want to -- as I

14 indicated earlier in the morning, I think Santa Monica has

15 been engaged in a very good faith effort in a whole host

16 of areas, and they have a daytime population question that

17 is almost unique to them but in many ways similar to what

18 happens to other communities. As Member Jones had

19 indicated, it's way up over 300,000, maybe three times

20 greater than the city population. Also, from what I

21 understand, their occupancy rate is increasing because the

22 economies are booming, and that means their population is

23 being projected even more.

24 And another point which I would like to

25 bring out is there are some communities engaging in and

26 encouraging recycling that we have no methodology for.

27 It's not our fault, but we really have no methodology for

28 taking into consideration. It may not have that much per

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1 se to do with their numbers, but there are various  
2 programs of Santa Monica, and I'm sure they're not unique,  
3 to encourage the use of recycled materials. I wish there  
4 was a way, in thinking about it, that we could quantify  
5 that, but certainly it's an aspect of good faith.  
6 So I strongly urge the adoption of 1999-253  
7 and will move it, and if only for their population changes  
8 that have taken place, where their work force is increased  
9 way above what their real population is, I think the  
10 base-year should be altered. I'll move it from 1999-253.

11 MR. PENNINGTON: I'll second.

12 CHAIRMAN EATON: Senator Roberti moves and  
13 Mr. Pennington seconds to adopt Resolution 1999-253, which  
14 would accept the City of Santa Monica's good faith efforts  
15 to implement its SRRE and meeting its diversion  
16 requirements.

17 Madam Secretary, please call the role.

18 BOARD SECRETARY: Board Members Jones.

19 MR. JONES: Aye.

20 BOARD SECRETARY: Pennington.

21 MR. PENNINGTON: Aye.

22 BOARD SECRETARY: Roberti.

23 SENATOR ROBERTI: Aye.

24 BOARD SECRETARY: Chairman Eaton.

25 CHAIRMAN EATON: Aye.

26 Okay. Please thank Mr. Delaney for his  
27 efforts. I know that it's sometimes hard to get here.  
28 He's probably hung up with the legislature down there, I

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1 believe, but we do appreciate it.

2 And now we'll recess until 2:00.

3 MR. PENNINGTON: 22.

4 CHAIRMAN EATON: I'm sorry. I'm convening.

5 It's always one thing.

6 The next item -- you know, it's that damn

7 weather -- I can't tell you that. We'll just do Item 22.

8 You're saying "22" and I'm thinking well, okay. I'm going

9 to adjourn at 20 to what? Item number 22.

10 (Laughter)

11 MR. PENNINGTON: Been there.

12 CHAIRMAN EATON: I shouldn't have shook

13 your hand this morning. I think you transferred it over.

14 Item 22, City of Covina.

15 KAONE CRUZ: Good morning, Chairman and

16 Board Members. I'm Kaone Cruz again. Agenda Item Number

17 22 is consideration of staff recommendation to change the

18 base-year for the City of Covina to 1997 for the

19 previously approved Source Reduction and Recycling

20 Element, and consideration of the biennial review findings

21 for the Source Reduction and Recycling Element for the

22 City of Covina in Los Angeles County.

23 1997 base-year. The jurisdiction has

24 requested to change the base-year from 1990, which is

25 64,269 tons, to 1997, 108,052 tons based on the data

26 collected from recyclers, haulers, and from pilot programs

27 -- waste -- conducted by the City. Mr. Carry Aushore is

28 planning to attend the meeting.



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1 To estimate the waste generation in 1997,  
2 the City used corrected disposal data from the Disposal  
3 Reporting System and compiled information for the  
4 diversion data from the following activities: City's  
5 contract, composting and grass recycling, green waste use  
6 for alternative daily cover, processing the commercial  
7 sector recyclable material, landfill salvage reported by  
8 the landfill, and diversion of the demolition material to  
9 document the diversion tonnage which is considered to be  
10 more accurate than the original base-year diversion  
11 tonnage.

12 Staff has determined that the request has  
13 been adequately documented and is consistent with previous  
14 Board standards for accuracy. Therefore, staff recommends  
15 that the requested change of base-year to 1997 be  
16 approved.

17 Biennial review. Staff also conducted a  
18 biennial review for the City's SRRE. The City has made  
19 good progress in implementing programs for its  
20 residential, industrial and commercial sectors. For this  
21 reason, staff also recommends approval of the biennial  
22 review finding.

23 This concludes my presentation.

24 CHAIRMAN EATON: Any questions of staff?

25 MR. JONES: Mr. Chairman.

26 CHAIRMAN EATON: Mr. Jones.

27 MR. JONES: If my Board Members will bear  
28 with me for a little bit.

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1 Covina was a city that came forward, and in  
2 my briefing, I was informed that they were taking credit  
3 for inert material that was going to the Newway Landfill  
4 and the Peck Road Landfill. Both of those facilities are  
5 inert landfills that are part of the Swiss System, that  
6 there is issues going on with the operators of those  
7 facilities that deals with another whole issue.  
8 It was -- there was a letter that was sent  
9 to Mr. Mohajer and Mr. Stone from County of L.A. by one of  
10 the operators, waste management, that said that all  
11 material that had gone into the Newway Landfill and  
12 previously had been listed as disposal should now be  
13 changed to diversion, and when I heard about the inerts,  
14 obviously I was just a little bit -- my interest was  
15 piqued.  
16 So we went through this thing, and actually  
17 the City -- just so the Board Members understand -- the  
18 City didn't claim enough diversion. When we did all the  
19 numbers, they actually came to a higher percentage from 28  
20 in the book, it really goes up to 29 using legitimate  
21 diversion. But it gives us an opportunity, and I think  
22 staff needs to be aware, that while this controversial  
23 issue is being determined, a city that takes credit for  
24 diversion of materials just to put into a hole is probably  
25 problematic; and if you use the data from L.A. County --  
26 and I want to thank staff for putting this thing together  
27 on such short notice. I know you had to work very, very  
28 hard -- but when you look at all of the landfills in L.A.

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1 County, and I'll use the ones that are in question  
2 here, Newway, Live Oak Landfill, what they determined to  
3 be received at the gate diverted and then landfill amounts  
4 to, in their numbers, 9 percent that is diverted from that  
5 site.  
6 That diversion is legitimate in my mind  
7 because it is to build the infrastructure -- how you're  
8 going to fill that pit, how you're going to build the  
9 roads, and all the things you have to do, which is a  
10 normal, beneficial use at any landfill in California.  
11 Peck Road Landfill, on the other hand,  
12 shows 85 percent diversion. I think staff needs to take a  
13 visit of the Peck Road Landfill to determine what they  
14 quantify as landfill and what they quantify as diversion  
15 and exactly how they're doing it. And then the Reliance  
16 Pit, which is another of the three facilities that we're  
17 dealing with, shows zero diversion, that it's all  
18 landfill.  
19 So the argument that was presented that  
20 says all this should be counting as diversion isn't even  
21 consistent with their own reporting, because they've  
22 actually made a determination as to what's beneficial use  
23 and what isn't, so I think we need to be aware of that.  
24 think we need to go through there.  
25 And I think people need to understand that  
26 on January 27th, there was an agenda item, and the motion  
27 that followed was made by Senator Roberti. Let me tell  
28 you what the item was. "Consideration of staff

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1 recommendation for revisions to the proposed construction  
2 demolition/inert debris regulations and approval of notice  
3 of 15-day comment period." The motion was by Senator  
4 Roberti and directed staff to report back on used and  
5 existing mine reclamation sites -- quarries -- that are  
6 possibly subject to any agency purview -- Department of  
7 Conservation, Division of Mining and Geology, the Waste  
8 Board and the agency enforcing SMARA. Specifically the  
9 report should cover the following: Jurisdictional  
10 conflicts between agencies, number of sites, a general  
11 description of each location -- remote, populated -- what  
12 is the quantity and general composition of the waste being  
13 accepted, which sites are charging a tipping fee and how  
14 much, what definitions of beneficial reuse have been used  
15 in the past, make a determination as to whether these are  
16 disposal sites, and implications of pending legislation.  
17 Mr. Eaton -- Chairman Eaton, seconded that  
18 and it was a unanimous vote.  
19 I made a second motion that staff bring  
20 back the SMARA information and start the 15-day comment  
21 period. Clearly there was an action by this Board in  
22 January to determine the issues that we're dealing with.  
23 To circumvent that by saying this material in their view  
24 is beneficial use when we haven't had -- when our staff  
25 hasn't brought back to us this, for whatever the reason,  
26 needs to be -- we need to have our time to deal with the  
27 policy issues. But I do think it's interesting that these  
28 same entities had claimed 9 percent diversion, 85 percent

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1 diversion and zero percent diversion where now it is 100  
2 percent diversion and no fees and diversion credit.  
3 So we are not the enemy of the cities that  
4 are trying to get credit for this material, but we need to  
5 be consistent. And this is a policy issue that I needed  
6 to take the time, and I thank you for the indulgence to  
7 get that on the record because I think it is a critical  
8 piece.

9 With that, I would move adoption -- I've  
10 got two inches of paper on this thing. With this --

11 CHAIRMAN EATON: Mr. Jones, before you go,  
12 I don't know if anyone has a comment or Mr. Pennington was  
13 getting ready.

14 MR. PENNINGTON: No.

15 CHAIRMAN EATON: I would like to say thank  
16 you to you. I know it incites your blood pressure, and I  
17 don't want to make light of this, but perhaps we could  
18 enlist you as one of our staff. You continually give us  
19 numbers and work off formulas that are helpful to all of  
20 us as we go through this.

21 You were in the business and you were  
22 there, and it's beneficial for all of us to see how you  
23 arrive at it. We are even picking up some things about  
24 pounds per person which I didn't have when I looked at  
25 the form. I think that's helpful and I appreciate your  
26 efforts.

27 MR. JONES: Thank you.

28 MR. PENNINGTON: I would say that Mr. Jones

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1 brings up an interesting point, and that is that they're  
2 asking to be exempt from the fee, but yet want to use it  
3 as diversion. I think that's something we need to look  
4 at.

5 MR. JONES: Mr. Chairman.

6 CHAIRMAN EATON: Mr. Jones, get ready.

7 MR. JONES: And I would like to thank  
8 Covina for hitting 29 percent legitimately.

9 CHAIRMAN EATON: What were they before you  
10 found out they weren't counting stuff?

11 MR. JONES: Actually, 28. We added a  
12 percent to it. We took the inert out that shouldn't be  
13 there and still got one more percent.

14 CHAIRMAN EATON: Thank you for being on our  
15 side.

16 MR. JONES: You betcha. Thank you. I move  
17 Resolution 1999-303 to change the base-year to 1997.

18 MR. PENNINGTON: Seconded.

19 CHAIRMAN EATON: All right. Mr. Jones  
20 moves and Mr. Pennington seconds to adopt 1999-303.  
21 Madam Secretary, please call the role.

22 BOARD SECRETARY: Board Members Jones.

23 MR. JONES: Aye.

24 BOARD SECRETARY: Pennington.

25 MR. PENNINGTON: Aye.

26 BOARD SECRETARY: Roberti.

27 SENATOR ROBERTI: Aye.

28 BOARD SECRETARY: Chairman Eaton.

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1 CHAIRMAN EATON: Aye.

2 MR. JONES: Mr. Chairman.

3 CHAIRMAN EATON: Mr. Jones.

4 MR. JONES: I would like to move Resolution  
5 1999-304, which is the staff recommendation on the  
6 biennial review findings for the SRRE for the City of  
7 Covina in L.A. County.

8 MR. PENNINGTON: Second.

9 CHAIRMAN EATON: Mr. Jones moves and  
10 Mr. Pennington seconds adoption of Resolution 1999-304.  
11 Without objection, substitute the previous roll call.  
12 Hearing no objection, such will be ordered.

13 Now, we will take the lunch break until

14 2:00.

15 (Lunch recess taken.)

16 CHAIRMAN EATON: We're back in session.

17 I will ask any of my colleagues if they  
18 need to report any ex parte communications.  
19 Mr. Pennington.

20 MR. PENNINGTON: No, Mr. Chairman.

21 CHAIRMAN EATON: Mr. Jones.

22 MR. JONES: I'm not sure there was dialogue  
23 back and forth, but I did have a chance to talk to Evan  
24 Edgar, Josh Pane', George Larson, Mike Mohajer, and Paul  
25 Ryan on the weather disposal.

26 CHAIRMAN EATON: Senator Roberti.

27 SENATOR ROBERTI: No ex partes,

28 Mr. Chairman.

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1           CHAIRMAN EATON: Then what a surprise it is  
2 that Mr. Jones is who everyone seems to be talking to.  
3 Aren't you lucky.

4           MR. JONES: Thank God it was all in one  
5 conversation.

6           CHAIRMAN EATON: All right.

7           SENATOR ROBERTI: However, Mr. Chairman,  
8 before we go on to the next item, I would like to sort of  
9 do a little reprise on where we left off, while I'm  
10 thinking about it, and that is that -- we were discussing,  
11 I think, Santa Monica and Covina, and I would like to lay  
12 this out to the Board for future references.

13 That is that I really think the fact that  
14 we're discussing things in the nature of base-year  
15 adjustments and things that are not necessarily dealing  
16 with permitting, dealing with the needs of various parts  
17 of the state, reinforces in my mind we need to have more  
18 of our resources in metropolitan areas of the state, and  
19 you'll be hearing more from me on this subject.

20 However, in the old days when we used to  
21 simply be essentially a permitting office, it made some  
22 sense having a great concentration sort of centralized.  
23 That's no longer the case. People need help,  
24 jurisdictions need help with base-year adjustments. They  
25 need help with diversion rate, which is what we're all  
26 about. They need a hands-on approach. We have to engage  
27 in more education.

28 And these things are done if we utilize the



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1 expertise that you find in our institutions of higher  
2 education, with environmental groups, with environmental  
3 lawyers. All knowledge and ability does not repose in  
4 Sacramento. All needs don't repose in Sacramento.  
5 So I'm just stating that because we have a  
6 resource, we have a wealth of needs and a wealth of  
7 resources outside of the Sacramento metropolitan area that  
8 we should utilize, and even more so that we should serve.  
9 I'm just throwing that out. The problems  
10 that Santa Monica has discovered and that Covina  
11 discovered, I think we could work with them maybe on a  
12 more expeditious basis early on, just as a thought, and  
13 which our resources are a little bit more dispersed. When  
14 we were a permitting agency essentially, only, I think  
15 that would be different. In fact, sometimes if you're a  
16 permitting agency, you wonder if you need to be anything  
17 but in Sacramento. Maybe I'm wrong. I think that's  
18 different.  
19 When we don't utilize in terms of helping  
20 various entities with their diversion rate, just to  
21 mention one thing, or helping people with education, this  
22 wealth of academia that we have and this wealth of  
23 environmental expertise that we have, and they're not  
24 essentially based in Sacramento, and sometimes we have to  
25 affirmatively search out. And just to deploy a small  
26 percentage of our resources to help do that search-out, I  
27 do not think is a mismanagement but rather as an enhancer.  
28 So I'm just throwing that out.

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1 Those two agenda items sort of prodded me

2 to say this, and you'll be hearing more from me on it.

3 And that's all I want to say.

4 MR. JONES: Mr. Chairman.

5 CHAIRMAN EATON: Mr. Jones.

6 MR. JONES: I didn't hear Senator Roberti

7 include haulers in that group of environmental lawyers and

8 environmentalists.

9 SENATOR ROBERTI: You're absolutely right.

10 MR. JONES: It's this seat that keeps

11 finding --

12 SENATOR ROBERTI: I think you're absolutely

13 right, and I think that's another example. Had we some

14 sort of a hands-on urban orientation, one of the

15 maleffects of 939, and there have been some, basically

16 very beneficial, but one of the adverse effects has been

17 the fact that the legislation inadvertently has

18 contributed to the consolidation of an industry, and maybe

19 in the long run to a monopoly position which is going to

20 work adversely to consumers as well as small businesses.

21 And I think if removed from that situation, and you're not

22 hands-on and seeing it happen on an everyday business and

23 you kind of live here, you work as if our good intentions

24 are always operating the way they should work.

25 Right under our noses, so to speak, we have

26 almost seen the elimination of an industry, much more to

27 the disadvantage of the consumer than to the industry. I

28 suspect many of these people have made a bundle of selling

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1 out. Many really don't want to sell out, but given the  
2 absence to make some money -- that's an adverse effect of  
3 939.

4 I think we can be big boys and girls and  
5 recognize that a good piece of legislation at times has  
6 adverse effects. That might have happened anyway, but I  
7 think if we were hands-on, noticing this right away when  
8 it was happening, maybe we could have done something more  
9 quickly in response to it. I think your mentioning  
10 haulers was excellent. I was remiss in forgetting it.  
11 They're probably the best example of why we need to be  
12 where the people sort of are.

13 MR. JONES: How this works out, I'm not  
14 sure.

15 (Applause)

16 MR. JONES: How this works out, I'm not  
17 sure.

18 CHAIRMAN EATON: I think I hear the  
19 southern California contingency back there, but I'm not  
20 quite sure.

21 (Laughter)

22 CHAIRMAN EATON: You know what happened in  
23 Bosnia when they started to balcanize, don't you? They  
24 went to hell.

25 MR. JONES: I think a lot of good points  
26 are well taken. I think it gives us an opportunity to  
27 talk about, when the Chairman was asking us to give our  
28 reports, and talk about the involvement that these four

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1 Members have in going out to the State. I don't think it  
2 gets to the heart of your issue, but I think it is a  
3 mitigating factor that these Board Members, I know  
4 Mr. Eaton and myself, Mr. Pennington and myself and you,  
5 Senator, spend an awful lot of time making sure we are in  
6 Orange County, in L.A., in San Bernardino, in Riverside,  
7 in Imperial, and doing what we can to make sure that we  
8 are in presence there.

9           SENATOR ROBERTI: No doubt.

10          MR. JONES: I think that it bears  
11 discussion. There's no doubt about it, but I think  
12 that -- I'll say I know that I can speak as one Board  
13 Member that there's an awful lot of people from Southern  
14 California that have seen me down there an awful lot  
15 because that's the only way that we can keep apprised of  
16 the pulse of what's going on down there as well as  
17 Northern California, and here in a month we get to go to  
18 Quincy, and that's good.

19          CHAIRMAN EATON: All right.

20 Item number 24.

21 CAREN TRGOVCICH: Good afternoon, Chairman  
22 Eaton, Members. I'm Karen Trgovcich, Deputy Director of  
23 the Waste Prevention and Market Development Division.  
24 Item Number 24 is consideration and approval of award of  
25 contract to Sacramento Housing and Redevelopment Authority  
26 for the development of the deconstruction training program  
27 at Kaufman and Broad's Mather housing project.

28 On your consent agenda this morning was the

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1 approval of the scope of work. This is the item to award  
2 the contract.

3 I would be happy to answer any questions.

4 CHAIRMAN EATON: Any questions, comments?

5 MR. JONES: Mr. Chairman.

6 CHAIRMAN EATON: Mr. Jones.

7 MR. JONES: I would like to move adoption  
8 of Resolution 1999-291 which is -- make sure I have the  
9 right one, this is the dollars -- that consideration and approval of  
10 award of contract to the Sacramento Housing and  
11 Redevelopment Authority for the development of the deconstruction  
12 training program at Kaufman and Broad's Mather  
13 housing project.

14 MR. PENNINGTON: I second that.

15 CHAIRMAN EATON: Mr. Jones moves and  
16 Mr. Pennington seconds adoption of Resolution 1999-291. Madam  
17 Secretary, please call the role.

18 BOARD SECRETARY: Board Members Jones.

19 MR. JONES: Aye.

20 BOARD SECRETARY: Pennington.

21 MR. PENNINGTON: Aye.

22 BOARD SECRETARY: Roberti.

23 SENATOR ROBERTI: Aye.

24 BOARD SECRETARY: Chairman Eaton.

25 CHAIRMAN EATON: Aye.

26 Item number 25.

27 CAREN TRGOVCICH: Item 25, Chairman Eaton and Members, is  
28 consideration and demonstration of ability

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1 to repay a recycling market development zone loan by a  
2 local government entity. This item precedes Item 26,  
3 which is an item that proposes approval of the loan to a  
4 local government entity.

5 Before we get into the loan items, I would  
6 just like to take an opportunity to announce the new  
7 interest rate on the low interest loan program. It is  
8 effective for the period of July through December. As  
9 you're aware, our interest rate is tied to the Surplus  
10 Money Investment Fund. Our rate just recently dropped  
11 from what was 5.6 percent down to 5.1 percent. So for any  
12 loans that move through prior to the end of this calendar  
13 year, they will be approved at an interest rate of 5.1  
14 percent.

15 With that, moving into Item 25. Just by  
16 way of a very brief background, the reason why we are  
17 bringing this item forward today is because for the first  
18 time since the loan program began approving loans before  
19 the Board -- and that was going back to 1993 -- we have a  
20 local government entity that has applied to the Board for  
21 a loan under this program.

22 There are some things that need to be  
23 considered by the Board prior to considering whether or  
24 not to approve the loan under Item Number 26, and Jim La  
25 Tanner, who is the supervisor in the loan program, will  
26 describe those five areas of credit that we look at and  
27 how they may differ.

28 JIM LA TANNER: What we did in Agenda Item

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1 25 is we looked at our current process for establishing  
2 and underwriting loans for businesses and adapted that to  
3 public lending. For all loans, whether it's even a home  
4 mortgage, there's five main criteria that you look at that  
5 demonstrate an ability to repay it back. The five areas  
6 are capital, collateral, character, conditions and  
7 capacity. In the case of a public entity, capital and  
8 collateral have different considerations. The capital is  
9 assets minus liabilities for the net worth of the  
10 business, which in a private business they can liquidate  
11 the assets, pay off the debt, and that would be available  
12 for the remainder to cover the loan.  
13 However, for a public entity, you don't  
14 expect a City to do that whereby selling off the assets  
15 and going out of business. If we do look at the capital  
16 value of the City -- in the next item you will see there  
17 is a capital for the City. However, it is a source of  
18 repayment if they want to move their assets around, but  
19 we're not looking at it as a source of repayment.  
20 Collateral is a little bit different.  
21 We -- for infrastructure projects, primarily for a city,  
22 you don't expect to actually foreclose on city properties  
23 such as taking city hail. There are other assets  
24 available for infrastructure projects such as general  
25 revenues. If it's a capital improvement project, then  
26 there may be a building available or a dedicated revenue  
27 stream. However, the item you'll see next does not have  
28 that consideration.

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1 Item 25 is a summary of the five C's of  
2 credit and how we apply those to public lending. The loan  
3 committee did discuss this at the last meeting and did not  
4 have any additional recommendations for this.

5 CHAIRMAN EATON: Any questions? Do we have  
6 anyone from local government that would like to comment  
7 upon the collateralization?

8 MR. JONES: Mr. Chairman.

9 CHAIRMAN EATON: Mr. Jones.

10 MR. JONES: I don't think I have a problem  
11 with us lending money to a local jurisdiction, but I think  
12 that the five C's give me a little bit of nervous  
13 anticipation upon a few issues. One is that you're right.  
14 We don't get title to city hail. The pledge of revenue,  
15 one of the questions I asked in my briefing -- and I  
16 didn't get a response yet -- was does the City Council  
17 have the ability to overturn somebody else's pledge of  
18 revenue?

19 JIM LA TANNER: Not that we're aware of,  
20 no.

21 MR. JONES: Under 218, the ability of  
22 cities to raise fees has come in question, and it's used  
23 for different purposes at different times. It was the  
24 mantra of cities for a while when it first got done that  
25 they could never do a rate increase for garbage services,  
26 even though 218 explicitly removed solid waste collection  
27 and recycling from what 218 could look at, but it didn't  
28 stop city attorneys and outside counsel from saying that



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1 they could not grant rate increases.  
2 If we are going to lend to a city, there  
3 needs to be -- it would seem to me there needs to be a  
4 discussion of a couple things.  
5 One would be that an outside advisor,  
6 similar to Peat-Marwick, who you deal with every day, does  
7 the analysis to determine the feasibility of them paying  
8 those dollars back and not just the loan committee. It  
9 would also seem to me that we would need to put in some  
10 kind of a rider in the condition of the loan -- and I know  
11 that the next loan coming up they said, if you don't get  
12 the businesses in in a certain amount of time, you have to  
13 pay us back in two years.  
14 I think one thing we have to be aware of is  
15 that if they use recycling market development's money,  
16 we've got to tie that to a commitment that there will  
17 be -- somebody in the law, the PRC Code, says that we can  
18 only lend money to those jurisdictions, to those entities  
19 that would fall under that criteria.  
20 So we don't want to ever run into -- that  
21 cities can use this money for spec development, for  
22 speculation development, and then hold ourselves, in hope  
23 that, in fact, a recycling business goes into that after  
24 we've built the infrastructure. That would be a -- in my  
25 mind a real abuse of this fund that is doing an awful lot  
26 of good for an awful lot of people. And I don't think  
27 we've thought that out as well as we need to as far as  
28 demanding that a -- part of the covenant of the loan is

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1 that they've identified a recycling business to go into  
2 that partial that's being serviced by this infrastructure,  
3 not just speculating they might be able to get them if  
4 they build the road.

5 I think those issues clearly need to be  
6 agreed to that we use a Peat-Marwick, somebody that  
7 understands the city issues, because you can't get a lien  
8 on city hail.

9 There are, you know -- I'm sure there's  
10 plenty of people that would like to from time to time,  
11 different city halls when they come up with a reason why  
12 not to pay back some money.

13 I think those would be my only two real  
14 suggestions, Mr. Chairman, to use Peat-Marwick to do the  
15 evaluation and tie a loose agreement or some kind of  
16 agreement to the use of those funds, because if we just  
17 speculate to build roads, it's not going to work.

18 CAREN TRGOVCICH: Chairman Eaton, if I  
19 could just offer something in that regard.

20 CHAIRMAN EATON: Sure.

21 CAREN TRGOVCICH: I think that Member Jones  
22 is absolutely correct in requesting or directing that  
23 there be some outside assistance in terms of evaluating  
24 loans to local governments, and I think that we found the  
25 Peat-Marwick assistance valuable.

26 I think we have a well-trained staff here,  
27 too. I think Peat-Marwick does bring something in  
28 addition, or whoever the future contractor is to this

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1 program of specialized loan assistance.  
2 With respect to time-specific agreements,  
3 I'm not quite sure if this is pertaining to Item 26, and  
4 if you want to look at that.  
5 We go in and evaluate Item Number 26, but I  
6 will say that with respect to the loan program, that  
7 annually under our servicing contract, we go in and  
8 evaluate the diversion aspect of each one of our loans.  
9 That is a requirement, and American River Bank currently  
10 has the servicing contract for our loans to determine  
11 whether or not they are meeting the diversion tonnages  
12 that they specified and that were the base of the  
13 application to the Board at the outset.  
14 So that is one additional backdrop that the  
15 Board has, and that is something that can be pursued in  
16 the event that they are not meeting the specified tonnages  
17 or not achieving any tonnage diversion at all.  
18 MR. JONES: That doesn't go to the heart of  
19 what I said. The heart of my issue was not when somebody  
20 moves in, but if somebody moves in. Because you're doing  
21 a spec development on infrastructure which is allowable,  
22 but it has to be -- there needs to be somebody moving in.  
23 You build the road out for another half a  
24 mile and you've got two parcels, and if somebody else  
25 comes down the road that could enter into a more  
26 attractive lease agreement with the property owner but it  
27 doesn't deal with any of the criteria for the RMDZ loan  
28 program, then really what you've done is taken the dollars

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1 to help build an infrastructure in a city, to help build  
2 spec development, not RMDZ development.

3 What I'm saying is we need to tie this loan  
4 to a lease agreement so we know that -- or -- yeah, tie  
5 this loan to a lease agreement. Right now on 26 what we  
6 have is the hope that two recycling companies will move  
7 into that property. If they don't move into the property  
8 and we use RMDZ to build the road and RCA Victor moves in  
9 there, those dollars haven't been used appropriately.

10 That's all I'm saying. We have to be  
11 judicious in how we lend that money, not just to foster  
12 spec development, but foster the infrastructure we need to  
13 promote RMDZ eligible businesses because that will mirror  
14 what the PRC code says.

15 CAREN TRGOVCICH: Is that an item we could  
16 take up under Item 26 when we look at the specifics, or is  
17 that more general in terms --

18 MR. JONES: This is a policy item, and I'm  
19 throwing out what I think needs to be included in the  
20 policy item. Depending on what my fellow Board Members  
21 say, it either flies or it doesn't.

22 MR. PENNINGTON: Mr. Chairman.

23 CHAIRMAN EATON: Mr. Pennington.

24 MR. PENNINGTON: I tend to agree with  
25 Mr. Jones. We don't want to be in a position where we're  
26 loaning money to develop an industrial park and be assured  
27 that those businesses that go in there fit the criteria of  
28 the RMDZ. I think that's what Mr. Jones is saying. Let's

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1 be sure that through some mechanism, if we loan the money,  
2 that we're going to get what we want from it.

3 CHAIRMAN EATON: Let me ask --

4 MR. PENNINGTON: We can either do this  
5 either having online a commitment before we loan the  
6 money, or a mechanism that says if that doesn't occur,  
7 then we get the money back with interest.

8 CHAIRMAN EATON: Let me ask a question, a  
9 procedural question. The pledge of revenues, was that an  
10 open question or we had a definitive answer on that?

11 JIM LA TANNER: The City of Cloverdale has  
12 agreed to give us a pledge of general revenues. We would  
13 perfect that through the UCC finding statement and  
14 security agreements.

15 CHAIRMAN EATON: And who within the City  
16 has authority to bind those pledge of revenues? Is that  
17 something that is required by a local governing body? Is  
18 that required -- it's the attorney, city manager -- trying  
19 to think of who else might be in a position to -- for  
20 instance, if it were -- here's where I'm getting at.  
21 If we were to have -- also to extend  
22 authorities, for instance, if we were to make a loan to an  
23 authority -- many of the jurisdictions are forming  
24 authorities and so on and so forth -- would this extend,  
25 and therefore, what would be the collateral if there's any  
26 of those situations? Do they have to pledge a portion of  
27 it? I'm trying to find out where the parameters are.

28 MS. TOBIAS: In this situation with the

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1 City or County, once they do a pledge of revenue, as long  
2 as their City Council clarities that, ratifies that, in  
3 essence --

4 CHAIRMAN EATON: That would take place  
5 before or after as the loan comes forward?

6 MS. TOBIAS: I think Ms. Trgovcich's point  
7 on that is that they will have to have a resolution on it  
8 prior to signing the loan documentation. So I'm not --  
9 from a legal standpoint, I would ordinarily like to see a  
10 resolution prior to any action or course is taken so we  
11 don't waste time.

12 In this case, the City Manager has  
13 indicated that the City would do that, and I think --  
14 although, as I said, I would like to see it beforehand, I  
15 think in this case they would have to have the resolution.

16 CAREN TRGOVCICH: There is a resolution  
17 dated May 5th that the City of Cloverdale entered into.

18 CHAIRMAN EATON: I don't want to mix and  
19 match. I want to try to keep it on 25 for general policy.  
20 I think that's where we're going.

21 I don't have -- I'm trying to find out  
22 procedurally what kinds of things as a policy we should  
23 establish, then once we establish it, we have something to  
24 apply to a particular situation is all I'm trying to --

25 MR. PENNINGTON: Mr. Chairman.

26 MS. TOBIAS: If I could finish your  
27 question, and I'm sorry, Board Member Pennington.

28 Your second part of the question was in the

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1 case of an authority, how would they do that. Although,  
2 it would depend to a certain extent on their legal  
3 charter, if you will, or the agreement that all the  
4 jurisdictions have put together to put together the  
5 authority, generally, as long as the authority and its  
6 governing board members agree to that, then that would be  
7 a pledge of whatever they were putting up. We would want  
8 to basically see what purpose they've made for the  
9 disbandment of their entity and how that would continue as  
10 a debt in the long run. I think that's again something we  
11 would want to look at as it comes up.

12           CHAIRMAN EATON: What I was trying to say  
13 is as part of our policy that we were trying to adopt  
14 here, we go to either a City or County but we don't extend  
15 it to those other entities until such time as we have the  
16 ability. I'm not trying -- I'm trying to establish some  
17 parameters. I'm not trying to get into questions that we  
18 don't know, but if we do, what is it?  
19 You're right. There may be some  
20 authorities that do have the ability to pledge certain  
21 kinds of collateral. There are others who are just there  
22 by virtue of the fact that the City Council appoints to  
23 each jurisdiction to be there and they have no real  
24 authority other than to go back. They can't even sign a  
25 letter of support basically for the position.  
26 Those were the kinds of things that I  
27 wanted to set as a parameter before we get into a specific  
28 case or city.

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1 MR. JONES: Mr. Chairman.

2 CHAIRMAN EATON: Mr. Jones.

3 MR. JONES: One other issue on the policy,  
4 and I'm assuming that as we're talking, if we get  
5 concurrence on these issues, that becomes the basis for  
6 the policy.

7 Trade and Commerce lends monies to cities  
8 and counties all the time to help build infrastructure.  
9 One of the issues that I think needs to be part of this  
10 policy that differs from Trade and Commerce is that any  
11 infrastructure that we fund with RMDZ money, the parcels  
12 need to be contiguous. They have to be part of that,  
13 serviced by that infrastructure because right now, Trade  
14 and Commerce could be building part of an infrastructure  
15 two or three blocks away to enable people to eventually  
16 get towards an area, and I think we just need to be aware  
17 of that.

18 It would make me feel better anyway that  
19 dollars that we're going to lend for the infrastructure  
20 are contiguous to the parcels that at some point are going  
21 to be housed by RMDZ-eligible businesses and not something  
22 a-little-bit-down-the-road-type of thing. I just think it  
23 needs to be spelled out.

24 CAREN TRGOVCICH: I believe that the  
25 statute in that regard specifies that a local government  
26 can receive funds for projects that directly benefit a  
27 recycling-based business. We'll take a look at that and  
28 see if that's sufficient. If it isn't, then we will



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1 incorporate it.

2 MR. JONES: That was the issue I was  
3 dealing with. I don't want to get -- my view is it can't  
4 just benefit. I would like to see it be contiguous. The  
5 word "benefit" is suggestive and could be an off-ramp six  
6 blocks away. That would definitely benefit an area that  
7 that off-ramp is going to sell. Is that what we want to  
8 use RMDZ money for?  
9 I'm only bringing these items up because  
10 this is a policy that is going to be used when more of  
11 these types of loans come forward, and I want to make sure  
12 that we have -- while we can't lock up all the issues, we  
13 need to at least be aware of, I think, some general  
14 provisions that we've articulated today, at least as a  
15 starting spot.

16 CHAIRMAN EATON: Could these proceeds be  
17 used to finance the construction of a road leading into a  
18 public landfill?

19 CAREN TRGOVCICH: It would not be  
20 considered a recycling-based business.

21 MR. JONES: What if they did diversion?

22 CAREN TRGOVCICH: It would have to be  
23 considered a separate project, and that would have to fit  
24 the Board's eligibility criteria as a recycling-based  
25 business and fit the Board's eligibility criteria that you  
26 adopted.

27 CHAIRMAN EATON: We probably could get  
28 Mr. Pennington and Senator Roberti to agree that only if

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1 that road had rubberized asphalt.

2 (Laughter)

3           SENATOR ROBERTI: Give me a couple of  
4 months.

5           CHAIRMAN EATON: Absolutely. I agree. I  
6 need all the help I can get on procurement. It's not the  
7 easiest thing out there. I'm trying to figure out a  
8 way -- I think it's right that there is a need and it's a  
9 good thing. How we get it to hedge against those kinds of  
10 situations, I guess, may be on a case-by-case basis, but  
11 there should be something at least in the policy stating  
12 we want it to be as specific as possible so that you have  
13 something by which to draw and until we're able to develop  
14 much more specific criteria.

15           MR. PENNINGTON: Mr. Chairman, I think I  
16 hear what you're saying, is that maybe we're rushing this  
17 judgment on this a little bit. While I'd like to find a  
18 way to go ahead and fund 26, I'm not sure that we  
19 shouldn't have more of a document here including some of  
20 Mr. Jones's thoughts and some other thoughts.  
21 I don't have a problem with loaning money  
22 to local government either. We used to do it all the time  
23 in the Department of Housing, and if my memory works  
24 correctly, we used to accept the City Council, their  
25 authorization and those kinds of things. I don't know.  
26 I think we're at a point where we ought to  
27 be maybe looking at this a little bit harder, if we can  
28 find a way to fund this one.

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1 CAREN TRGOVCICH: Perhaps -- I'm hearing  
2 two elements to the discussion here. Item Number 25 was  
3 originally focussed very narrowly on the credit piece,  
4 how do you look at local governments from a credit  
5 perspective, how do you underwrite a loan.  
6 I'm hearing separately from that concern  
7 expressed on the part of several of the Members around  
8 the -- what types of projects do you want to make this  
9 money available for, and in the eligibility item that came  
10 forward several months ago, there was not much discussion  
11 on distinction of projects for local governments around  
12 infrastructure or capital improvements. They are  
13 basically drawn along the same lines as for private  
14 businesses, recycling-based businesses that we lend to.  
15 I'm hearing two elements of discussion.  
16 One is the credit, but more importantly I'm hearing  
17 concern about what kind of projects do we want to lend to,  
18 what ties do we want to recycling, how close and how  
19 direct, and is it a freeway off-ramp and some other  
20 concerns.  
21 So maybe what we need to do is bring back  
22 that eligibility item just as it pertains to lending to  
23 local governments and flush that out and get much more  
24 specificity around what we mean by infrastructure, do we  
25 want roads or not. If we do, how closely tied do they  
26 need to be to the businesses that are benefitting from  
27 them, are there recycling-based activities that you do not  
28 want infrastructure projects to provide funding for, that

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1 you may otherwise agree to for a private entity.

2 I'm hearing two things -- Member

3 Pennington, your question was how do we get at those

4 broader issues that the Members have raised here and maybe

5 still be able to hear Item 26. And one option that I

6 would offer is to consider Item 25 as just pertaining to

7 the credit, with direction back to us that what you want

8 to discuss in addition is the broader eligibility issues,

9 and then come back with that item in the coming months.

10 MR. PENNINGTON: Yeah. I think that would

11 probably be okay with me. I would like to look at this in

12 terms of eligibility. You know, when you stop and think

13 about it, there are less sources of funding for local

14 communities to do infrastructure and maybe it's -- maybe

15 that's an area we shouldn't be in. Maybe it's an area

16 that is better served by the redevelopment agencies and

17 Trade and Commerce and HCDs, Community Development block

18 grants and those kinds of things, and that we should be

19 directing ours more at businesses that are actually doing

20 recycling or using recycled products.

21 You know, I don't feel comfortable in

22 making that kind of decision today. I would like to look

23 at it more and think about it. I'm willing to do what you

24 suggest and use this as an eligibility, credit

25 eligibility, so we can get on to the next one. I think

26 the next one I've looked at, and it's fairly reasonable to

27 me.

28 CHAIRMAN EATON: So perhaps -- any other

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1 comments? That perhaps maybe, without setting a time  
2 certain, that we'll bring back the item of the overall  
3 policy, not only along the credit lines, but other kinds  
4 of eligibility criteria for any kind of loan.  
5 I think there's a basic feeling here that  
6 it's a policy that should be supported. Why can't we go  
7 and give a loan to a private entity or any other entity  
8 when sometimes some of the jurisdictions actually want to  
9 do something themselves and finance it that way. I think  
10 from that standpoint, it may very well fit into our  
11 overall long-term goals of SB 1066, extensions and good  
12 faith efforts, and people that want to try and do  
13 something in their community. I think from that  
14 standpoint, being consistent in the policy is good, but  
15 what are those. I'm sorry, Senator.

16           SENATOR ROBERTI: Just in my discussions  
17 with staff, the only reason why I can see why we would  
18 make a distinction as between municipal and private loans  
19 would be in the issue of collateral, and I don't see it as  
20 a significant measure. The cities aren't going to skip  
21 town and go to Brazil, and there's plenty of leverage that  
22 the state government has on them, both in what they S  
23 procure, what they need, that we are not without leverage  
24 that we don't even have with private parties.  
25 I think they should be treated just as a  
26 private entities are and may the best proposal win the  
27 day. I hope that is --

28           CHAIRMAN EATON: That's what I was saying.

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1           SENATOR ROBERTI: -- the goal, that we're  
2 moving forward.

3           CHAIRMAN EATON: We shouldn't create  
4 artificial distinctions when none really exist in terms of  
5 what the overall thrust is. If we could do that, and as  
6 quickly as you feel, if -- we won't set a date here, I  
7 think, to be able to bring it back, and I would also like  
8 to maybe think about some of the comments that were made  
9 and maybe want to go to each individual office to get some  
10 ideas from some of the associations, what would be helpful  
11 to them, what constraints.

12 CAREN TRGOVCICH: We' ll do that. We' ll  
13 strive to put this back on the October agenda. I believe  
14 in September we have the agenda item of residences as  
15 collateral that will be coming forward on the agenda. So  
16 we will strive to put this on for October.

17           CHAIRMAN EATON: Item Number 26, I believe  
18 it is.

19 CAREN TRGOVCICH: Item Number 26 is the  
20 first of three loans that we're bringing forward for you  
21 today, and this one is the consideration of the  
22 application for the City of Cloverdale for a Recycling  
23 Development Market Program loan. Jim will briefly  
24 describe the project for you.

25 JIM LA TANNER: Jim La Tanner, Supervisor  
26 of the RMDZ loan program. This agenda item, the City is  
27 requesting a \$300,000 loan to double the length of a  
28 street. Currently there is one business located on that

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1 street that is a recycling-based business. By lengthening  
2 the street, two adjacent parcels to the existing business  
3 would be made available for several recycling-based  
4 businesses to locate on.  
5 Three businesses are targeted to look at  
6 that site. One is probably a definite but hadn't signed  
7 any paperwork with that. Reuser, Inc., currently located  
8 on that street, is continuing a 50-percent match of  
9 \$314,000. In the past, the Board has contributed over \$1  
10 million for similar improvements to bring the water and  
11 sewer lines and street improvements up to the current.  
12 They feel now the City should be a part of  
13 the project at this time. The City has agreed to pledge a  
14 general revenue to provide some form of collateral. We  
15 have looked at the other avenues such as loan default  
16 insurance, but that is not available on municipal loans  
17 under \$1 million at this time, but we're still pursuing  
18 that in the overall sense.  
19 The City is very small, and at this time  
20 we did talk to them about other collateral, like a vacant  
21 lot or something. There isn't any readily available. We  
22 have talked to them about a special tax assessment for  
23 this one area, but the voters probably would not approve  
24 that Street and there's no residential properties on it.  
25 So we're bringing the item forward, showing 0  
26 there is collateral in the form of a pledge of general  
27 revenues and the City has agreed to that at this time.  
28 CAREN TRGOVCICH: There was one change made

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1 by the loan committee as we brought this item forward, and  
2 one additional change they added was that since this was  
3 an infrastructure project, that two years from the date of  
4 completion of the improvements themselves, in order to  
5 give time for the construction of structures and the  
6 bringing of sewer and water, that there be recycling-based  
7 businesses occupying the adjacent parcels, and if that is  
8 not the case, the payments on the loan will be accelerated  
9 to a measure such that it would meet market rate  
10 requirements. And that is an additional covenant placed  
11 in the loan.

12 So Member Jones, at this point what I would  
13 like to ask you, going back to the prior item, is you  
14 requested -- your direction was that there would be  
15 specific lease agreements tied in with the covenants in  
16 the loan documents themselves, and that would then pertain  
17 to the two adjacent parcels and commitments to occupy  
18 those parcels. Are those additional requirements that you  
19 would like to see in this loan?

20 MR. JONES: I don't know how this loan  
21 complies with the RMDZ loan unless they're not there. I  
22 think they have to be there to be eligible.

23 CAREN TRGOVCICH: That's why the two-year  
24 loan committee covenant was placed in. We can add in and  
25 see if the City will agree and can obtain the additional  
26 lease agreements.

27 MR. JONES: I think that prior to funding  
28 that would make me feel a lot better. I'm worried about



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1 the spec development issue if somebody bolts. If the  
2 two-year eligibility is -- when you say "accelerated to  
3 market rate," does that mean it goes from 6.1 to 5.6 or --  
4 CAREN TRGOVCICH: It would go up to  
5 whatever -- I think the current market rate is prime plus  
6 one.

7 MR. JONES: Over a shorter period of seven  
8 years --

9 CAREN TRGOVCICH: We would accelerate.  
10 Correct.

11 MR. JONES: I don't have any problem with  
12 lending money to cities, I just want to make sure -- my  
13 bigger problem is a policy issue, where the development of  
14 a policy is the work that this Board should do, and I want  
15 to make sure this Board does that work, as all the Board  
16 Members I think want to ensure that they do.  
17 The loan, in and of itself, I don't have a  
18 problem with, but I think that the issue of who's making  
19 policy is the issue that I think is important, and I  
20 haven't heard anybody at this time say anything different.  
21 If getting a lease is too much of a  
22 stretch, I would think some kind of a commitment and the  
23 two years that they've got to be there and then you  
24 accelerate the process would probably work for me under  
25 this situation, but I will tell you, it would not work for  
26 me once we develop the policy because I don't want to see  
27 this used for spec development.

28 CHAIRMAN EATON: The loan is a ten-year

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1 term; correct? The loan.

2 JIM LA TANNER: Yes. It's a ten-year loan.

3 CHAIRMAN EATON: You'd be looking for a  
4 two-year lease or roughly 20 percent of the term.

5 MR. PENNINGTON: Should be signed and in  
6 place within the two years; is that correct?

7 MR. JONES: That's what the loan committee  
8 had suggested.

9 JIM LA TANNER: The loan committee  
10 suggested that upon completion of the street, that two  
11 recycling-based businesses would be located on those  
12 parcels within the two-year period. They came up with two  
13 years to give them time. It's a vacant, undeveloped lot.  
14 They have to build a structure on it.  
15 The lease would be between Reuser, Inc. and  
16 that business, since the City doesn't actually own the  
17 land in that case.

18 MR. PENNINGTON: Reuser, Inc. owns those  
19 two parcels; right?

20 JIM LA TANNER: Correct. Reuser, Inc. owns  
21 the real estate.

22 MR. JONES: Well, it's getting quiet in  
23 here.

24 CHAIRMAN EATON: Pondering.

25 MR. JONES: Pondering. I know. It's --  
26 what is the appropriate --

27 SENATOR ROBERTI: Mr. Chairman.

28 CHAIRMAN EATON: Senator.

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1           SENATOR ROBERTI: I'm not conflicted on the  
2 matter. I'd like to move Resolution 1999-266 in.

3           MR. PENNINGTON: I'll second.

4           CHAIRMAN EATON: Senator Roberti moves and  
5 Mr. Pennington seconds that we adopt Resolution 1999-266  
6 relative to the loan to the City of Cloverdale.  
7 Madam Secretary, please call the role.

8           BOARD SECRETARY: Board Members Jones.

9           MR. JONES: Aye.

10          BOARD SECRETARY: Pennington.

11          MR. PENNINGTON: Aye.

12          BOARD SECRETARY: Roberti.

13          SENATOR ROBERTI: Aye.

14          BOARD SECRETARY: Chairman Eaton.

15          CHAIRMAN EATON: Aye.

16          I would like to request one more thing,  
17 though. Before any other loans come before the Board, that we at  
18 least -- it's probably good we had have had discussion so that we  
19 don't put ourselves in this position

20 again where we have a situation where we have a local entity who  
21 really, I think, probably wants to have a good project and will  
22 have a good project, but we need to have

23 some sort of assurances. want to kind of see where

24          We do have a matter set for 3:00. I just we can kind of --

25 if we could just -- I'd like to try and -- you've

26 got what, two more loans? We'll complete the two loans and hear the  
27 AB 59 appeal which will be -- and then

28 we can come back to the

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1 other one involved with the parent policy and the other.

2 CAREN TRGOVCICH: Item Number 27 is

3 consideration of approval of the RMDZ loan for MBA

4 Polymers. Jim will give a very brief description.

5 JIM LA TANNER: MBA Polymers has approached

6 the Board once again for an RMDZ loan in the amount of \$1

7 million. They're located in the Contra Costa RMDZ, to

8 purchase and install machinery and equipment for a new

9 project that they are currently not doing. As a result,

10 an additional diversion is a 10-year loan fully amortized.

11 As a result of this loan, they will annually over the next

12 five years divert an additional of 15,986 tons of material

13 from the landfill each year.

14 Apparently they have one RMDZ loan. All

15 payments have been as agreed, no late payments, and in

16 full compliance with all of the existing loan covenants.

17 CAREN TRGOVCICH: The loan committee made

18 one change to this loan, and that was to require

19 additional infusion of capital by other investors. That

20 will be a condition prior to funding of the loan. They

21 specified the additional infusion of capital as -- was it

22 an additional \$1 million?

23 JIM LA TANNER: Correct.

24 CAREN TRGOVCICH: And MBA is in the process

25 of achieving agreement.

26 CHAIRMAN EATON: Any questions or comments?

27 MR. JONES: Mr. Chairman.

28 CHAIRMAN EATON: Mr. Jones.

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1 MR. JONES: I would like to move Resolution

2 1999-288. Anything that helps plastic.

3 (Laughter)

4 MR. PENNINGTON: I'll second that.

5 CHAIRMAN EATON: All right. Mr. Jones

6 moves and Mr. Pennington seconds that we adopt Resolution

7 1999-288.

8 Madam Secretary, please call the role.

9 BOARD SECRETARY: Board Members Jones.

10 MR. JONES: Aye.

11 BOARD SECRETARY: Pennington.

12 MR. PENNINGTON: Aye.

13 BOARD SECRETARY: Roberti.

14 Chairman Eaton.

15 CHAIRMAN EATON: Aye.

16 Put the bill -- see, there I go right

17 there. Put the Resolution on call. Senator Roberti had

18 to take a call.

19 Next item.

20 CAREN TRGOVCICH: Item Number 28 is

21 consideration of approval of the RMDZ loan application for

22 Marspring Corporation. This is not plastic, but it's

23 fiber. Jim will briefly present this item to you.

24 I would like to point out that we have

25 raised in the agenda item itself a discussion matter for

26 the Board, in that the Board has not established policy,

27 the policy in this area in the past, but this will be the

28 third loan that Marspring has approached the Board for

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1 under this program.

2 JIM LA TANNER: Agenda Item 28, Marspring Corp.,  
3 d.b.a. Los Angeles Fiber Company is requesting a \$500,000 RMDZ loan  
4 for machinery and equipment, some working capital, for  
5 a seven-year term. As a result of this project, an  
6 additional 3,690 tons of solid waste will be diverted from the  
7 landfill annually and verified by us.

8 They currently have two loans. All  
9 payments have been made as agreed. They're in  
10 full compliance with all loan covenants and financial,  
11 conditions and clearly demonstrate the ability  
12 historically to repay the loan.

13 The loan committee approved this loan as  
14 presented without any additional concerns.

15 MR. PENNINGTON: Mr. Chairman.

16 CHAIRMAN EATON: Mr. Pennington.

17 MR. PENNINGTON: Can you give a total of  
18 what they owe us?

19 JIM LA TANNER: \$2, 100, 000.

20 MR. PENNINGTON: This would make it \$3.1.

21 JIM LA TANNER: That's including this.

22 MR. PENNINGTON: I'll move adoption of --

23 CHAIRMAN EATON: Before you go,  
24 Mr. Pennington.

25 MR. JONES: Just one quick question. Three  
26 different loans for three different projects, three  
27 different processes. Not three loans to support one  
28 project?

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1 JIM LA TANNER: Correct. There's three  
2 separate divisions of the company. Each is separate from  
3 the other. There's the expanding what they're currently  
4 doing. This is a new process. This is mattress -- shoddy  
5 fiber for futon mattresses. They are currently not  
6 producing shoddy fiber for this purpose. It's an  
7 additional new division started for them.

8 CHAIRMAN EATON: Are there different assets  
9 or collateral for each of the different loans --

10 JIM LA TANNER: In this loan --

11 CHAIRMAN EATON: -- or are they the same?

12 JIM LA TANNER: They're purchasing  
13 additional equipment for this loan that we're taking  
14 collateral on and also -- with the existing loans --

15 MR. PENNINGTON: Mr. Chairman.

16 CHAIRMAN EATON: Mr. Pennington, now.

17 MR. PENNINGTON: I'll move adoption of  
18 Resolution 1999-287.

19 MR. JONES: I'll second.

20 CHAIRMAN EATON: Mr. Pennington moves and  
21 Mr. Jones seconds that we adopt 1999-287.

22 Madam Secretary, please call the role.

23 BOARD SECRETARY: Board Members Jones.

24 MR. JONES: Aye.

25 BOARD SECRETARY: Pennington.

26 MR. PENNINGTON: Aye.

27 BOARD SECRETARY: Roberti.

28 Chairman Eaton.

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1           CHAIRMAN EATON: Aye.

2 Also place that on call. Items 27 and 28

3 will be on call the hour of 3:00 having just arrived, as

4 previously mentioned, we have an item, an AB 59 appeal,

5 Item Number 32, consideration of whether this Board shall

6 accept the appeal by Safety-Kleen of cease and desist

7 order issued by the Imperial County Local Enforcement

8 Agency respecting its Hazardous Waste Facility at

9 Westmorland, California.

10 Mr. Bledsoe, welcome.

11 MR. BLEDSOE: Thank you, Mr. Chairman.

12 Good afternoon, Members of the Board. My name is Michael

13 Bledsoe. I'm with the legal office.

14 The matter before the Board in Item 32 is

15 whether the Board should accept Safety-Kleen's appeal of a

16 cease and desist order issued by the Imperial County Local

17 Enforcement Agency.

18 The basic issue arises from Public

19 Resources Code Section 44103B which requires that

20 facilities, which accept hazardous waste and other solid

21 waste, shall have two permits from the Department of Toxic

22 Substances Control, a Hazardous Waste Facility Permit, and

23 from the Local Enforcement Agency and Integrated Waste

24 Board a Solid Waste Facility Permit.

25 Safety-Kleen at its Westmorland facility

26 has a hazardous waste facility, accepts and disposes of

27 hazardous waste and certain non-hazardous waste.

28 Safety-Kleen has a Class I from DTSC, but does not have a



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1 Solid Waste Facility Permit from the LEA and the Waste  
2 Board.

3 The type of waste in question is  
4 non-putrescible, non-hazardous industrial wastes. These  
5 are wastes that many of which would be termed under the  
6 Water Code definition as "designated waste." So there are  
7 wastes that have some level of contamination. They  
8 contain a toxic substance, but they do not contain so much  
9 of that substance that they're actually treated as  
10 hazardous under hazardous waste laws. Examples would  
11 include contaminated dirt, perhaps contaminated with  
12 petroleum products or from a hazardous waste cleanup  
13 operation, geothermal waste, tank bottoms, industrial  
14 sludge, construction and demolition waste that might be  
15 contaminated with asbestos or lead. These are not MSW,  
16 municipal solid wastes. We're talking non-putrescible  
17 industrial wastes.  
18 They are disposed of in a hazardous waste  
19 facility on the desire of the generator really to obtain  
20 the best protection the generator can from future  
21 liability for the waste in question.  
22 There's some concern -- and certainly the  
23 appellant can speak better than I can -- but there's some  
24 concern on the part of the generator that if they deposit  
25 these contaminated, but non-hazardous waste in a municipal  
26 solid waste landfill, there's always the risk that they  
27 will become liable for someone else's waste that was  
28 deposited in that solid waste facility.

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1 Of course, laws do change, so what's  
2 non-hazardous today may be hazardous tomorrow. So if  
3 you're in that business, it does make some sense to put  
4 these contaminated but non-hazardous wastes in a hazardous  
5 waste facility.  
6 The Local Enforcement Agency took action  
7 and issued a cease and desist order against Safety-Kleen  
8 require it stop accepting these wastes until it has  
9 obtained a solid waste facility permit. Safety-Kleen  
10 appealed to the LEA. The Imperial County Board of  
11 Supervisors refused to hold a hearing, refused to convene  
12 a hearing panel, so under Section 4503A, Safety-Kleen has  
13 appealed to the Waste Board.  
14 Under AB 59, we have a two-step process of  
15 which this is the first step. What you're considering  
16 today is whether the Board should accept or will accept  
17 Safety-Kleen's appeal, which if Safety-Kleen has raised  
18 substantial issues in its appeal, it would be proper for  
19 the Board to accept the appeal. If the Board accepts the  
20 appeal, it should set a hearing on the merits within 60  
21 days from today.  
22 Staff has found that Safety-Kleen has  
23 raised substantial issues in its appeal. These are  
24 outlined in the proposed resolution that's in your agenda  
25 packet. Among those substantial issues are Safety-Kleen's  
26 assertion that the Local Enforcement Agency has  
27 incorrectly interpreted the Public Resources Code section  
28 that I cited that's at the root of this problem.

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1 It points out that the non-hazardous wastes  
2 in question are non-putrescible and do not give rise to  
3 the same kind of public health and safety and  
4 environmental concerns that municipal solid waste do in  
5 which the Waste Board regulates; that a memorandum of  
6 understanding among key state agencies in 1979 is intended  
7 to authorize the disposal of these non-hazardous wastes at  
8 hazardous waste facilities without a Solid Waste Facility  
9 Permit; that a number of generators of non-hazardous waste  
10 desire to dispose of their waste in hazardous waste  
11 facilities; that the environmental protections enjoyed or  
12 provided at a Class I hazardous waste facility are higher  
13 than at a Class II or III solid waste facility; and that  
14 this matter is of statewide concern since a large number,  
15 on the order of 160, hazardous waste facilities, including  
16 transfer and storage, as well as disposal facilities,  
17 accept non-hazardous waste of the sort in question here.  
18 The appeal also gives rise to a number of  
19 other substantial issues involving such things as the  
20 proper interpretation under principals of statutory  
21 construction of this Public Resources Code section to  
22 which I've referred. The fact that this is a statewide  
23 matter, since all three of the Class I hazardous waste  
24 facilities in California manage these non-hazardous wastes  
25 in the same way, that is none of the three have a Solid  
26 Waste Facility Permit, there are implications for local  
27 agencies planning for hazardous waste facilities and solid  
28 waste facilities and there are aggressions involving the

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1 proper applicability of waste disposal fees on the waste  
2 in question.

3 Accordingly, staff recommends that the  
4 Board find that substantial issues have been raised by the  
5 Safety-Kleen appeal; that the Board accept the appeal; and  
6 that you set a hearing on the merits within 60 days, which  
7 would run on September 27th, 1999 -- that would be the  
8 last day on which you could have the hearing unless  
9 Safety-Kleen consented to a longer period; and that with  
10 one amendment, which I will provide you, that the Board  
11 adopt Resolution 1999-332.

12 I would like to correct a typographical  
13 error in the resolution. It's on the second page in the  
14 list of Substantial Issues that Safety-Kleen has raised.  
15 It's the fourth item which begins, "That numerous  
16 generators of hazardous wastes," that should say -- and  
17 I'd like to correct it to read, "That numerous generators  
18 of such non-hazardous wastes desire to dispose their waste  
19 in a hazardous waste facility." The point being made by  
20 that provision is that generators of these non-hazardous  
21 waste want to put them in hazardous waste facilities.  
22 Thank you very much.

23           CHAIRMAN EATON: Any questions of  
24 Mr. Bledsoe? Mr. Hart.

25 MR. HART: Mr. Chairman and Members, Gordon  
26 Hart on behalf of Safety-Kleen Westmorland, Inc. We very  
27 much appreciate the staff recommendation the Board accept  
28 the appeal, and we understand that what is before the

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1 Board today is the issue of simply whether or not the  
2 Board will accept the appeal and that the merits of the  
3 appeal would wait until another date.  
4 We would like to make some brief comments  
5 about the resolution that is before you. Before  
6 specifically addressing the resolution, in order to  
7 understand those comments, we would just like to emphasize  
8 we think there are three major issues that are raised by  
9 this appeal.  
10 The first is the interpretation of a  
11 20-year-old statute which uses terms in very different  
12 ways than we might today understand those terms that are  
13 used. It's a 20-year-old statute that was enacted before  
14 there was even a federal or state hazardous waste  
15 statutory regulatory scheme.  
16 The second issue is a Memorandum of  
17 Understanding that Mr. Bledsoe referred to. That was  
18 entered into in 1979, less than a year after that statute  
19 was passed, by the predecessor agency to this Board, the  
20 State Water Board, and the predecessor agency of the  
21 Department of Toxics. That Memorandum of Understanding  
22 clearly indicates that the agencies believe that  
23 facilities taking the kind of waste at issue here should  
24 not have to have a Solid Waste Facilities Permit.  
25 The third major issue that is raised is the  
26 fact that the type of waste that we are talking about --  
27 and Mr. Bledsoe did a good job of characterizing --  
28 industrial, non-putrescible, contaminated wastes; that

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1 those wastes have been accepted by this facility in  
2 Westmorland since 1982, have been accepted by all of the  
3 Class I hazardous waste disposal facilities in California,  
4 without any agency ever issuing a cease and desist order  
5 or otherwise indicating throughout that entire period that  
6 they should have to have a Solid Waste Facilities Permit  
7 to accept these kinds of contaminated industrial wastes  
8 that are very similar to the other wastes that they take  
9 that are part of their DTSC permit.

10 With those three issues in mind, I would  
11 just like to make three brief comments about the  
12 resolution. The first "whereas" clause -- and the first  
13 four I've taken together -- paint a picture that we would  
14 like to just put a little more detail into the picture for  
15 you than is painted in the stark terms of those first four  
16 "whereas" clauses.

17 What this Board is going to be asked to  
18 consider, if it accepts this appeal, is what the terms  
19 "hazardous" and "non-hazardous" and "other solid wastes"  
20 means within the meaning of Section 44103. And we would  
21 just point out that in these "whereas" clauses, the  
22 richness of the controversy that is before the Board with  
23 regard to what the terms "hazardous," "non-hazardous," and  
24 "other solid wastes" mean as used in this statute.

25 That richness is not fully reflected here,  
26 and we would just, for the record, like to indicate our  
27 position that a key part of the issue before the Board is  
28 what the meaning of those terms are as it relates to this

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1 statute.

2 The second comment I would like to make

3 about the resolution before you is in the sixth "whereas"

4 clause which starts, "Upon learning that Safety-Kleen

5 accepted and disposed non-hazardous waste in its facility,

6 the Imperial County LEA ordered Safety-Kleen to cease

7 accepting non-hazardous waste." we believe that "whereas"

8 clause gives a misperception of the timing here.

9 It is not the case that Imperial County

10 found out that Safety-Kleen was accepting these kind of

11 wastes and then immediately issued a cease and desist

12 order. Imperial County has known that Safety-Kleen was

13 accepting these wastes for at least a decade, and almost

14 assuredly since 1982 when the facility, under prior

15 ownerships, had operated.

16 Imperial County receives monthly reports

17 from Safety-Kleen about the tonnages of both hazardous

18 waste and non-hazardous waste, identified as such, that is

19 accepted. We are not certain why, after this years of

20 knowledge of receiving these reports, Imperial County

21 decided to issue a cease and desist order on the basis of

22 this statute, but it is not fair to say it was done upon

23 learning. They have known it for a long time.

24 Finally, we would just like to point out

25 that in the list of substantial issues -- and we agree

26 these are the substantial issues raised by this appeal --

27 in the last "whereas" clause, where the resolution

28 indicates that there are further substantial issues, we

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1 fully understand that this Board is and should be very  
2 interested in the last two issues listed there related to  
3 the impact of the receipt of these kind of waste, on  
4 diversion issues and in fees, but we would respectfully  
5 urge this Board to separate its consideration of those  
6 issues from the direct consideration of this appeal.  
7 We do not believe that in a formal sense  
8 either fees or diversion requirements are raised by this  
9 appeal. What is before this Board is -- what will be  
10 before this Board, if the Board accepts this appeal, is  
11 whether or not Safety-Kleen Westmorland needs to have a  
12 Solid Waste Facility Permit.  
13 Formally what will not be before the Board  
14 is whether or not it needs to pay fees or what the  
15 diversion requirements are. We understand that's of  
16 interest to the Board. That is of interest to us, and we  
17 believe those are policy issues this Board is going to  
18 have to grapple with after this appeal is dealt with, and  
19 we would be happy to participate in providing input to  
20 that.  
21 We would urge the Board to try as much as  
22 it can, even though I understand that one thinks about  
23 these together, to separate those issues for your  
24 consideration.  
25 Having said that, we would ask for the  
26 Board to accept staff's recommendation to hear this  
27 appeal.

28 CHAIRMAN EATON: Thank you. Any questions



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1 for Mr. Hart?

2 MS. TOBIAS: Mr. Chairman, I do have

3 questions of Mr. Hart, but I do have a comment whenever

4 you're ready.

5 CHAIRMAN EATON: Please.

6 MS. TOBIAS: I do think there are two of

7 the things that I want to address in Mr. Hart's comments.

8 The first "whereas" where it says, "PRC Section 44103(b)

9 requires that facilities accept both types of waste," I

10 think we could change the "requires" to "states" which

11 would -- rather than making that -- I think "requires" has

12 a certain element of opinion in there. So since we've

13 said in the substantial issues whereas the last one, that

14 one of the issues here is statutory interpretation. I

15 think it might be more clear. I don't know if this helps

16 or not. The word "states" instead of "requires" might be

17 a little more neutral, if you will.

18 I also think that in the third to the last

19 "whereas" on the first page, we should omit the clause

20 that says, "Upon learning that Safety-Kleen accepted and

21 disposed of non-hazardous waste at the facility," and

22 just -- I think the important part of that "whereas"

23 clause is, "The Imperial County LEA ordered a cease and

24 desist." I would suggest that we omit -- we don't know

25 exactly why they chose this time either.

26 I think those are two things that we could

27 do that would address some of Mr. Hart's comments.

28 GORDON HART: Mr. Chairman, if could I

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1 comment.

2 CHAIRMAN EATON: Sure.

3 GORDON HART: Greatly appreciate both of  
4 those suggestions. With regard to the first suggestion of  
5 the "states" versus "requires," I agree that would be  
6 preferable. If we are going to change things though, the  
7 actual statute does not have the term "non-hazardous  
8 waste" in it. It has the term "other solid wastes," so if  
9 we're going to change it, I would suggest it state,  
10 "Facilities that accept both hazardous and other solid  
11 wastes."

12 MS. TOBIAS: I would suggest that we state  
13 whatever the statute says. If that's what it says, I  
14 would suggest we use quotes around whatever the statutory  
15 language is since I think that's what is at issue.

16 CHAIRMAN EATON: And - -

17 MR. PENNINGTON: Mr. Chairman.

18 CHAIRMAN EATON: Okay. Yes,  
19 Mr. Pennington. Before we move, I want to make sure that  
20 we had the -- unless you had a comment.

21 MR. PENNINGTON: No. I was going to move.

22 CHAIRMAN EATON: With regard to the whereas  
23 clause "upon learning," what was the recommendation?

24 MS. TOBIAS: I'm suggesting that we take  
25 out the first clause there "upon learning that  
26 Safety-Kleen accepted and disposed of non-hazardous waste  
27 at the facility." The important -- and that's the first  
28 part of that. The important part is that the LEA has

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1 issued or has ordered Safety-Kleen to stop accepting the  
2 waste. So it would read --

3 CHAIRMAN EATON: Delete the first sentence  
4 up to the -- is that a comma?

5 MS. TOBIAS: Yes.

6 CHAIRMAN EATON: And start the sentence --

7 MS. TOBIAS: It would read, "Whereas the  
8 Imperial County LEA ordered Safety-Kleen to cease  
9 accepting non-hazardous wastes."

10 CHAIRMAN EATON: Mr. Hart, is that okay  
11 with you?

12 GORDON HART: That's quite acceptable to  
13 us.

14 CHAIRMAN EATON: I know none of you are  
15 getting paid by the word. Anyway --

16 MS. TOBIAS: This would be a much longer  
17 resolution if we were.

18 CHAIRMAN EATON: Absolutely. I'm sorry,  
19 Mr. Pennington.

20 MR. PENNINGTON: Mr. Chairman, I move  
21 adoption of Resolution 1999-332, as amended by counsel,  
22 accepting the appeal from Safety-Kleen.  
23 Timing? I thought that was in the  
24 resolution. 60 days; is that all right?

25 MS. TOBIAS: I think it -- can we set it?  
26 I think it would be a good idea if you were able to  
27 actually set the date.

28 CHAIRMAN EATON: We have a Board meeting

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1 scheduled for -- and I'm trying to think. September --

2 PETER WEINER: 21, 22.

3 CHAIRMAN EATON: The 21st is like the night  
4 after Yom Kippur, if I'm not mistaken. I know I'm just  
5 thinking of these things. I just want to make sure that  
6 people don't have a problem, and if that's going to be a  
7 problem for the Board as a whole as we look at some of  
8 those things.

9 PETER WEINER: Unless you do two days, Yom  
10 Kippur is on the 19th. It would end on the 20th.

11 CHAIRMAN EATON: For the record, that was  
12 Mr. Weiner who was giving us the calendar update, Peter  
13 Weiner. I have to do this. It's part of the record.  
14 You've got to show you made an appearance, Mr. Weiner.  
15 (Laughter)

16 MR. PENNINGTON: What is the date?

17 CHAIRMAN EATON: I think -- why don't we  
18 say the 22nd to be sure, which is the second day.

19 MR. PENNINGTON: September 22nd.

20 CHAIRMAN EATON: September 22nd.

21 MR. PENNINGTON: Mr. Chairman, I'll move  
22 adoption of Resolution 1999-332 as amended by counsel to  
23 accept the appeal of Safety-Kleen and hear their appeal on  
24 September 22nd, 1999.

25 CHAIRMAN EATON: I'll second that motion.  
26 Madam Secretary, please call the role.

27 BOARD SECRETARY: Board Members Jones.

28 MR. JONES: Aye.

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1 BOARD SECRETARY: Pennington.

2 MR. PENNINGTON: Aye.

3 BOARD SECRETARY: Roberti.

4 SENATOR ROBERTI: Aye.

5 BOARD SECRETARY: Chairman Eaton.

6 CHAIRMAN EATON: Aye.

7 Thank you. All right.

8 SENATOR ROBERTI: I move we --

9 CHAIRMAN EATON: Item Number 27 and 28.

10 Might as well, you know.

11 Madam Secretary, if could you please call

12 the role again for Item Number 27.

13 BOARD SECRETARY: Board Member Jones.

14 MR. JONES: Aye.

15 BOARD SECRETARY: Board Member Roberti.

16 SENATOR ROBERTI: Aye.

17 CHAIRMAN EATON: Okay. That motion

18 passes.

19 Item Number 28, if you will call the

20 role.

21 BOARD SECRETARY: Board Member Roberti.

22 SENATOR ROBERTI: Aye.

23 CHAIRMAN EATON: That motion passes. Back

24 on the regular calendar.

25 CAREN TRGOVCICH: Chairman Eaton and

26 Members, Item Number 29 is consideration of the reduction

27 of the recycling market development revolving loan program

28 fee of 1.5 percent to an appropriate level.

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1 As you may remember, over a year ago in  
2 April of 1998, an item was brought before the Board and it  
3 contained a number of streamlining measures for the RMDZ  
4 loan program. One of those elements was the reduction of  
5 the loan fee from 3 percent to one and a half percent. At  
6 the time of that discussion several Board Members  
7 requested that we proceed at one and a half percent for a  
8 period of time and then return to the Board with a  
9 discussion item and consideration of a further reduction  
10 in the loan program fee.

11 Jim will present the this item.

12 JIM LA TANNER: Item 29 is reducing the  
13 fee. Currently it's one and a half percent on a loan now  
14 that conveys \$15,000 to obtain the loan, collected out of  
15 loan closing. What we do is we take it out of proceeds  
16 through escrow. They actually receive \$985,000 in  
17 proceeds from us.

18 This item is a result several things.

19 Discussions that staff has had with potential applicants  
20 for the loan program concerning the cost of applying for  
21 it.

22 We also have a survey conducted on the loan  
23 program performed by JD Franz Research Company which  
24 identified the customers they called indicated this was a  
25 barrier. The customers they called was a list supplied by  
26 us and included current recipients of the loan program,  
27 customers who have paid off the loans we've sold,  
28 potential applicants, and also some we have declined.

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1 This is one of several areas we're  
2 addressing at this point to make the loan program more  
3 attractive to recycling-based businesses updating the  
4 needed capital.

5 CHAIRMAN EATON: Questions? How many times  
6 have we reduced it over the last year?

7 CAREN TRGOVCICH: We reduced it that one  
8 time, from 3 percent to one and a half. One time. If you  
9 were to ask for staff's recommendation on an appropriate  
10 level, we would suggest somewhere in the range of one-half  
11 of a percent. We would also like to suggest in the event  
12 that the Board Members choose to pursue a reduction in the  
13 fee, that in Resolution 1999-285 on the "now, therefore,  
14 be it resolved" line, it says, "The Board approves a  
15 is reduction from one and a half percent to," blank, and that r  
16 would be a level you determined for all loans approved by  
17 the Board from this date forward.

18 We would suggest a change in the wording  
19 from "approved" to "funded." That would allow borrowers  
20 who have been approved for by funding from the Board but  
21 for which the loans have not yet closed, and I believe  
22 there are three, to take advantage of the reduction in the  
23 origination fee. This would also represent a reduction in  
24 work load for staff because on the million-dollar loan, a  
25 reduction of the 1 percent is significant and it would be  
26 in the borrower's financial interest to potentially  
27 withdraw their application, refile at \$300, in order to  
28 save any additional interest or origination fee reductions

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1 that they might realize as a result of this item.

2 MR. PENNINGTON: Mr. Chairman.

3 CHAIRMAN EATON: Mr. Pennington.

4 MR. PENNINGTON: I'll move adoption of  
5 Resolution 1999-285 reducing the loan fee charged by the  
6 program from one and a half percent to a half a percent  
7 for all loans funded by the Board from this date forward.

8 MR. JONES: I'll second.

9 CHAIRMAN EATON: Okay. Mr. Pennington  
10 moves and Mr. Jones seconds that we adopt Resolution  
11 1999-285.

12 Madam Secretary, please call the role.

13 BOARD SECRETARY: Board Members Jones.

14 MR. JONES: Aye.

15 BOARD SECRETARY: Pennington.

16 MR. PENNINGTON: Aye.

17 BOARD SECRETARY: Roberti.

18 SENATOR ROBERTI: Aye.

19 BOARD SECRETARY: Chairman Eaton.

20 CHAIRMAN EATON: Aye.

21 CAREN TRGOVCICH: Item Number 30, Chairman  
22 Eaton and Members, is consideration of approval of the  
23 model state agency waste reduction and recycled content  
24 product procurement policy.  
25 This item has been under development for  
26 several months, and it follows the adoption of the Board  
27 of your revised in-house waste reduction policy. This  
28 model policy represents a much broader approach to the



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1 in-house waste reduction program that we currently have on  
2 record and represents an incorporation of other elements  
3 such as state agency buy-recycled and green building  
4 elements as well.

5 Jill Lamer will make this presentation.

6 JILL LARNER: Thank you, Caren. Good

7 afternoon, Chairman Eaton, Members. I'm Jill Lamer. I

8 work in the Waste Prevention and Market Development

9 Division. I'll be presenting Item 30.

10 Attachment 1 to Item 30 is called Waste

11 Reduction Policies and Procedures for State Agencies --

12 how to reduce, reuse, recycle in the state government. It

13 is a guidance document on waste reduction and recycled

14 content policies and procedures for California State

15 agencies, and as Ms. Trgovcich stated, is modelled after

16 our own in-house program and other resources we have here

17 at the Board for businesses and state agencies.

18 It's been developed in an effort to

19 establish state government responsibility and

20 accountability towards meeting the AB 939 diversion goals

21 and to promote resource efficiency and environmental

22 responsibility within state government. Its purpose is to

23 provide California state departments, as defined, with the

24 framework to develop their own waste reduction and

25 recycled content procurement policies and goals for four

26 reasons: To demonstrate state leadership and

27 responsibility towards meeting state solid waste goals,

28 show environmental leadership in conserving natural

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1 resources in order to maximize budget resources through  
2 the efficient use of all resources, and to further  
3 compliance with laws requiring state agency waste  
4 reduction and buy-recycled activities.  
5 I'm going to quickly go through the history  
6 of this item. The Board -- this item was before the Board  
7 on June 9th with our in-house waste reduction policy.  
8 There was no discussion or action on that at that time.  
9 Since then, several Board programs, staff has contributed  
10 to this paper, including Project Recycle Staff stating to  
11 buy recycle campaign, our organics staff, and we've  
12 included general information on green buildings, our  
13 definitions and benefits and resources we have at the  
14 Board for that. This item was concurrently reviewed and  
15 approved by two divisions, by ours and Diversion and  
16 Planning Division.  
17 I would like to just quickly provide a  
18 couple highlights of the paper itself and the attachments.  
19 The introduction is a description of the state solid waste  
20 mandates, just to set the stage for other state agencies,  
21 and it describes the waste management hierarchy. The  
22 hierarchy is important because it is looking for state  
23 agencies to focus on waste prevention and reuse first, as  
24 we have here at the Board.  
25 Since the printing of this item, staff has  
26 included another statement that is not included in your  
27 packet under the Introduction section of the state  
28 government's role in reducing waste, and I'll read that

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1 statement now. "Current law places state waste diversion  
2 responsibility on local government. Each California State  
3 agency is responsible for participating and contributing  
4 to the diversion goals of the jurisdiction of regions of  
5 the state in which it operates," and staff recommends  
6 including that statement in the introduction.  
7 The statement helps clarify that California  
8 State agencies are not exempt in the state diversion waste  
9 mandates and they are responsible for participating in the  
10 activities of local jurisdictions in which they reside.  
11 Other highlights include, we defined  
12 benefits of waste reduction based on using resources most  
13 efficiently, saving the State both money and resources,  
14 and producing less waste. This is the same message the  
15 Board has been providing private business through its  
16 business resource efficiency program. It's an effective  
17 message that gets to the heart of every business and  
18 organization how to save money and resources.  
19 Waste reduction is not just a recycling  
20 collection program, it is operational efficiency and the  
21 smartest way to operate an organization, to make use of  
22 all resources.  
23 Another highlight we include is that  
24 successful waste reduction requires organizational  
25 support. Management support, and employee input through  
26 policies and procedures is critical to making waste  
27 reduction happen, and this is a highlight of the paper as  
28 well.

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1 We've included sample waste reduction  
2 policies in Attachment 2 with recommended action items,  
3 and these are based on actual policies the Board has put  
4 in place over the years. They're listed under the areas  
5 of general waste reduction, resource efficiency,  
6 prevention, reuse, employee education, collection, and  
7 recycled product procurement.

8 The document briefly describes the process  
9 to Implement a waste reduction program with references to  
10 existing resources here at the Board.

11 The final section is defined  
12 individually -- prevention, reuse, collection,  
13 procurement, green buildings and organics, and we include  
14 a lot of references to existing resources here at the  
15 Board.

16 The intended use of this document, I'll say  
17 a few words about that. Current Board programs that  
18 assist state agencies with which waste reduction are  
19 Project Recycle and State Agency Buy Recycle campaign.

20 These programs primarily promote recycling collection and  
21 recycled content prior to procurement within state  
22 government. Both have varying degrees of participation by  
23 state agencies.

24 This document is intended to promote  
25 comprehensive waste reduction to include prevention, reuse  
26 and the benefits of resource efficiency within state  
27 government. Staff intends to use this document as a  
28 starting point for Board staff to provide comprehensive

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1 waste reduction systems to other state agencies. It's not  
2 intended to compile all the information provided through  
3 existing programs, but to set the stage for the importance  
4 of waste reduction within state government that provides  
5 sample policy statements and references to existing  
6 resources at the Board for state agencies.

7 In conclusion, staff recommends Option 2 in  
8 the item, adoption of Resolution 1999-158, with the  
9 specific amendment to the introduction section I stated  
10 earlier.

11 CHAIRMAN EATON: Questions?

12 MR. JONES: Mr. Chairman.

13 CHAIRMAN EATON: Mr. Jones.

14 MR. JONES: Mr. Chairman, first off, I  
15 think this is a good document. I would suggest that in a r  
16 briefing, a little -- maybe in the introduction what we  
17 ought to use this for is to let the people that are  
18 reading it know that all state employees are residents in  
19 a city or county that is responsible for AB 939 and face  
20 conformance with that and potential fines; and that, you  
21 know, state agencies need to do their part. And the  
22 correlation or the example I'm trying to use -- and maybe  
23 you word smiths can figure out a way to do it -- I want  
24 the people that are reading this to understand that if  
25 their state agency doesn't do anything, when they go home  
26 at night, when their garbage rates go up, their recycling  
27 rates go up, if we put that city on compliance or  
28 ultimately fine it, they're going to be paying that on

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1 their can every week.

2 I think that people need to understand that  
3 they are responsible as citizens where they live. They  
4 need to make sure the agency that they work for is  
5 participating because in some cases that will lessen the  
6 burden for them. It's strictly an economic issue, and  
7 maybe they need to understand. They want to help foster  
8 the program at the state agency where it's not paid for  
9 directly out of their pocketbook, or they want it to  
10 revert to their collection system at their home.  
11 I don't know if it's a big deal, but it  
12 would seem to me like -- this Board has done an awful lot  
13 to make people try to understand. Maybe we just have to  
14 hit people a little harder and make them understand that  
15 they ultimately have a responsibility at home. If their  
16 agency in that neighborhood isn't doing its job, their  
17 price is going to go up.

18           CHAIRMAN EATON: I just have two comments,  
19 if I may. One, when do we plan on the roll-out of this to  
20 other agencies? As we begin to -- as we heard this  
21 morning, the State, whether it be in the area of  
22 rubberized asphalt, green procurement, all kinds of  
23 purchase recycle -- is there a way that we have a time  
24 frame so we can get at another agencies in time for to us  
25 start implementing it or having them, you know, adhere or  
26 to get some sense of where we would like them to be at  
27 least under the model that we have proposed?

28 JILL LARNER: One of the suggestions that

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1 we were going to make is your office, along with Secretary  
2 Adams and Secretary Hickox, are in the process of  
3 preparing a memo from Secretary Adams to the other cabinet  
4 heads on state agency buy recycle. This may be a  
5 component that could be folded into that memo to the other  
6 agency heads and attached as example of policy statements  
7 and other guidance and technical assistance that they  
8 might want to take advantage of. I think that memo, as  
9 you described it, was originally designed to focus on  
10 procurement and that is one of the three legs of this  
11 policy.

12           CHAIRMAN EATON: Just one other issue that  
13 I have on at least my Attachment 2, page 20-22, under the  
14 heading "Recycled Content Product Procurement Policy  
15 Statements and Action Items," I'm sorry, 30. 30. r  
16 Actually, it's 20 on mine. 30-22, where it says, "Buy  
17 recycled content products rather than non-recycled content  
18 products. Price, quality and availability being  
19 comparable," is there a way we can separate that price,  
20 quality and availability as it relates to recycled  
21 products, because as you well know, one of the burdens  
22 we've had, whether it be in paper or anything that the  
23 first time the issue of price comes up, automatically, no.  
24 You know, when we had the discussion the other day of  
25 Department of General Services, they were willing to  
26 purchase the paper, but they said that the envelopes were  
27 three times the cost. When you go in and find out what  
28 the bulk of the numbers that we purchase of envelopes, we

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1 find out that those that supply the envelopes are willing  
2 to cut the price substantially of envelopes, so it is  
3 comparable.

4 Is there a way we can -- we're almost sort  
5 of stabbing ourselves by throwing in a price component,  
6 but just separating it out a little bit, we're comparing  
7 apples and apples.

8 CAREN TRGOVCICH: I think that --

9 CHAIRMAN EATON: You know what I'm trying  
10 to get at? So that we don't have our own document sort of  
11 come back and hurt us.

12 CAREN TRGOVCICH: What we intended to do  
13 here was simply nearer the statutory requirements that are  
14 in place right now, but that does not at all reflect, as  
15 you state, the commitment and direction of the  
16 administration as well as Secretary Adams and others that  
17 price no longer becomes an issue when you have enough  
18 demand for the product, using envelopes as your example.  
19 So we can certainly work in this document  
20 which is a policy document on separating out that price  
21 issue.

22 CHAIRMAN EATON: All right. I'll move that  
23 we adopt Resolution 1999-158.

24 MR. PENNINGTON: Second, Mr. Chairman.

25 CHAIRMAN EATON: All right. Mr. Eaton  
26 moves, Mr. Pennington seconds that we adopt Resolution  
27 1999-158.

28 MR. PENNINGTON: As amended.



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1           CHAIRMAN EATON: As amended. Without  
2 objection, we will substitute the previous role call. No  
3 objection, such shall be ordered.

4 Next item, I believe, is Item Number 31.

5 We'll take a five-minute break. How about  
6 that?

7 (Brief recess taken.)

8           CHAIRMAN EATON: All right. Ms. Fish.

9 KARIN FISH: Thank you, Chairman Eaton.

10 Karin Fish, Deputy Director for the Division of  
11 Administration.

12 This item is the consideration of  
13 allocation and award of available recycled market  
14 development funds for alternative projects. This is a  
15 follow-up of an item that was heard last month where seven r  
16 alternative projects were funded from '98-'99 Integrated  
17 waste management account funds. At that meeting the  
18 Boards directed staff to bring the three projects that you  
19 see before you back this month to be funded from available  
20 '98-'99 RMDZ funds.

21 The three projects are as follows: \$45,511  
22 to provide additional funding for a compost mulch  
23 partnership project headed by the Central Coast Resource  
24 Conservation and Development Council; \$200,000 for an  
25 interjurisdictional agreement with the East Bay Regional  
26 Park District to incorporate recycled content material in  
27 the construction of a dining facility at Camp Arroyo  
28 Environmental Education Center; and \$50,000 to enter into

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1 an agreement with the City of Los Angeles to enhance and  
2 expand the L.A. Shares Reuse program.

3 Does the Board have any questions on the  
4 three projects?

5 CHAIRMAN EATON: No. These were the three  
6 projects that were before us, I believe.

7 MR. JONES: Mr. Chairman.

8 CHAIRMAN EATON: Mr. Jones.

9 MR. JONES: I don't have a resolution.

10 KARIN FISH: I think what they decided was  
11 that based on the Board funding, that the resolution would  
12 then be provided once they heard the Board's intent.

13 CHAIRMAN EATON: And "they" being?

14 KARIN FISH: Staff.

15 CHAIRMAN EATON: Are you separating  
16 yourself from them?

17 KARIN FISH: No. Well -- quit teasing me.

18 CHAIRMAN EATON: All right.

19 KARIN FISH: See, I get nervous and now  
20 you're teasing me.

21 MR. JONES: Mr. Chairman, I would like to  
22 move that we fund through the RMDZ account \$45,511 to the  
23 Central Coast Resource Conservation Development Council  
24 for their program, \$200,000 in an interagency agreement  
25 with the East Bay Regional Park District for Camp Arroyo,  
26 and \$50,000 for an agreement with the City of L.A. for the  
27 L.A. share reusable program.

28 MR. PENNINGTON: I'll second that.

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1           CHAIRMAN EATON: All right. Mr. Jones  
2 moves and Mr. Pennington seconds that we adopt staff  
3 recommendation for the recommended three projects as  
4 described in the items of 31.  
5 Madam Secretary, please call the role.  
6           BOARD SECRETARY: Board Members Jones.  
7           MR. JONES: Aye.  
8           BOARD SECRETARY: Pennington.  
9           MR. PENNINGTON: Aye.  
10          BOARD SECRETARY: Roberti.  
11          SENATOR ROBERTI: Aye.  
12          BOARD SECRETARY: Chairman Eaton.  
13          CHAIRMAN EATON: Aye.  
14 Next item.  
15          MR. PENNINGTON: We didn't make Howard work V  
16 for this.  
17 (Laughter)  
18          CHAIRMAN EATON: One more question.  
19 KARIN FISH: Too late.  
20          CHAIRMAN EATON: Could you also report back  
21 to us as who "they" are in the future?  
22 KARIN FISH: You want that in an item?  
23          CHAIRMAN EATON: No. 33.  
24          MR. JONES: There is a resolution to give  
25 out this money.  
26 (Laughter)  
27 ALAN WHITE: Good afternoon. I'm Alan  
28 White of the Used Oil and Household Hazardous Waste Grant

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1 Section. I did bring the resolution. I'm here to discuss  
2 Item 33.  
3 I'm here today to present for your  
4 consideration the item to award the unfunded, seven-cycle  
5 household hazardous waste grant, otherwise referred to as  
6 the "B" list, with fiscal year 1999-2000 funding. In  
7 September of 1998, the Board approved scoring criteria for  
8 the '98-'99 household hazardous waste grant section  
9 seventh cycle.  
10 After the Board approved the criteria,  
11 local jurisdictions applied for these grant funds through  
12 the normal Notice of Funding Availability process. Staff  
13 received and evaluated 48 applications using the approved  
14 criteria. 36 applications received passing scores.  
15 However, only the 17 highest ranking proposals for a total  
16 of \$2,985,431 were awarded grants at the April 1998 Board  
17 meeting because we had limited funding.  
18 Since then, the fiscal year 1999-2000  
19 Governor's budget appropriated additional funding for the  
20 HHW projects. Therefore, sufficient funds are now  
21 available to provide funding to the remaining applicants  
22 that met the Board's criteria but were not awarded grants.  
23 This item recommends that those 19 applicants, referred to  
24 again as the "B" list, be awarded household hazardous  
25 waste grants. The total recommended award, \$1,885,588  
26 funded from the fiscal year 1999-2000 monies. This award  
27 includes funding for the remainder of the City of Oxnard's  
28 regional proposal that was the 17th application on the

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1 original list and was therefore only partially funded.

2 If you approve this item, the grant period

3 for the "B" list grants would be from August 1st, 1999 to

4 March 31st, 2002. All terms and conditions and procedural

5 requirements will be the same as the original seventh

6 cycle.

7 Therefore, staff recommend that the Board

8 award the household hazardous waste grants "B" list grants

9 for fiscal year 1999-2000 monies as presented in

10 Resolution 99-329.

11 That concludes my presentation.

12 CHAIRMAN EATON: Any questions of staff?

13 MR. PENNINGTON: Mr. Chairman.

14 CHAIRMAN EATON: Mr. Pennington.

15 MR. PENNINGTON: I'll move adoption of r

16 Resolution 1999-329 awarding the household hazardous waste

17 grants "B" list for fiscal year '98-'99.

18 MR. JONES: I'll second.

19 CHAIRMAN EATON: All right. Mr. Pennington

20 moves, Mr. Jones seconds we adopt Resolution 1999-329.

21 Without objection, we'll substitute the previous role

22 call. Hearing no objection, it shall be entered.

23 The other thing, if I could ask Board

24 Members just one second. The current year grants, when

25 were you planning on bringing those back, the new cycle?

26 ALAN WHITE: The block grant?

27 CHAIRMAN EATON: HHW, the remaining monies.

28 MR. JONES: Any of them.

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1 ALAN WHITE: On the HD8, household  
2 hazardous waste, that's coming up and a block grant is  
3 already there. The opportunity grant will be coming up.

4 MITCH DELMAGE: We haven't set the date  
6 yet. Mitch Delmage, Manager of the Used Oil and Household  
6 Hazardous Waste Branch. We believe that they'll be coming  
7 in the spring. We don't want to double them up. The  
8 opportunity grant will be coming in December. We're  
9 trying to stagger them for work load considerations.

10 CHAIRMAN EATON: I'm talking about 1111W.

11 MITCH DELMAGE: That's correct. That will  
12 be coming in the spring.

13 CHAIRMAN EATON: Is there a way we can move  
14 them up from December?

16 MITCH DELMAGE: Well, we can, but we're  
16 doubling up with the opportunity grant. One of the things  
17 that we were considering, but I'm not sure if we have time  
18 to do this, is combining the two grant cycles into one  
19 grant and combining the monies, but we haven't been able  
20 to get all the details worked out and don't see that we  
21 can get that done before the applications are submitted  
22 for the opportunity grants.

23 CHAIRMAN EATON: Okay. There's -- the  
24 reason for it, just so -- when we went before the  
25 legislature, it was a division of funds. If you remember,  
26 we were underfunded in this program, and to get the  
27 additional authority for the extra \$3 million, they asked  
28 if we could kind of see what we could do to put this money

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1 on the Street. That was one of the recommendation. I  
2 would like to be able to go back to them come February  
3 when they start the proceedings to let them know, or  
4 whoever else, that we have done that, and I think it's  
5 important because it was really -- was some debate whether  
6 or not we should receive those funds. And I don't want to  
7 go so far to say it was a condition of that, I think  
8 that's overstating it, but it was highly stressed it would  
9 be an opportunity.  
10 If I could ask Mr. Chandler perhaps to work  
11 with Mr. Delmage and the others to see if we can bring it  
12 back in December, that would be helpful for us. We can  
13 show we've made the effort, we have taken some of the  
14 backlog and some of the concerns. This happens to be one  
15 of the more popular programs, as you well know, and try to r  
16 keep that money on the street. I think that would be  
17 helpful for others. So if you could try and see what you  
18 could do. Thank you.

19 MITCH DELMAGE: We would be glad to do  
20 that.

21 CHAIRMAN EATON: Thank you.

22 Item Number 34. I take it you're closing  
23 out today's meeting.

24 CAREN TRGOVCICH: Yes. I thought I'd bring  
25 this to a standing stop or something along those lines.

26 MR. PENNINGTON: I'd rather a standing  
27 ovation.

28 CAREN TRGOVCICH: Screaming halt, something

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1 like that.

2 CHAIRMAN EATON: There's a song by Led

3 Zeppelin, "When the levy breaks, so just hold on."

4 (Laughter)

5 CAREN TRGOVCICH: We were singing that in

6 the audience a moment ago.

7 Item Number 34 is consideration and

8 approval of the final report to the legislature on the

9 recycling market development revolving loan program.

10 Just by way of very brief introduction, the

11 supplemental budget language a year ago required us to do

12 both an interim and a final report to the legislature.

13 The Board adopted the interim report, and that was

14 submitted to the legislature at the first of the year.

15 The final report contains very few changes from the

16 interim, but there are changes to two sections.

17 One is the section on administrative costs,

18 the other one with respect to future actions, and Jim will

19 summarize those for you.

20 JIM LA TANNER: Jim La Tanner, Supervisor

21 of the RMDZ loan program.

22 Agenda Item 34 is the final report. The

23 directive and the final report was to report the actions

24 the Board had taken and identified in the preliminary

25 report to make the loan program more effective.

26 The main concern, if you look at Attachment

27 1 on page 5, there's a chart on administrative program

28 costs. The concern was that the administrative cost of



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1 the program was high relative to the number of loans made.  
2 For the first six years '91 to '97, the administrative  
3 cost was 18 percent as a percentage of the loans. Last  
4 year when we did the preliminary report, we were able to  
5 decrease the overall cost of the loan program thus  
6 reducing that percentage from 18 down to 14.4 percent.  
7 During the last year, there was a number of  
8 changes that have been implemented and this report  
9 identifies those actions and were effective. We have then  
10 now been able to bring the percentage down to 11.8  
11 percent, primarily the result of making more loans.  
12 The main areas that was in was we  
13 contracted out the loan servicing to a private bank. We  
14 contracted out loan closing services to a bank. We have  
15 outside legal counsel for specialized services on loans,  
16 and we have one more outside contract in specialized  
17 services that we also use through Pete Marwick.  
18 Those efforts that the Board had approved  
19 and implemented did help reducing the admin costs  
20 considering the number of loans at that time. What that  
21 did was that made the program more attractive and made us  
22 better able to make loans, it made businesses have an  
23 easier time qualifying, and the result we did make more  
24 loans and already have a good start for this year.  
25 The second part of the report on Attachment  
26 1, page 9, there's a new section that we have added that  
27 was not in the preliminary report. It's titled, "Future  
28 actions make the program more effective."

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1 This -- there's three recommendations in  
2 there to make the program more effective to provide  
3 capital to recycling based businesses. This was the  
4 directive of two sources; one, loan staff working with  
5 prospective applicants in phone calls and working with  
6 actual applications that we have received, what they  
7 perceived were barriers to getting the loan program; and  
8 second, the JB Franz survey also confirmed our findings  
9 that there was remaining barriers in applying for the loan  
10 program.

11 There are three areas that we're looking  
12 at. One is raising the project maximum loan amount.  
13 currently, we can lend 50 percent of the project up to \$1  
14 million, whichever is less. The idea was to get private  
15 industry to help begin making more loans to recycling  
16 based businesses so they would have to participate and  
17 primarily while the loans we've made, private banks have  
18 been the primary funding source. We're now considering  
19 looking at raising the amount from \$1 million to an amount  
20 higher than that.

21 What we've seen during the last year of the  
22 program is that a number of the loans we have funded are  
23 to the larger small businesses as defined by SBA. They're  
24 not the major corporations, they're small, closely held  
25 sub-S corporations and a few partnerships. We have fewer  
26 sole proprietorships actually applying. What that means  
27 is the companies that we're lending to are primarily  
28 existing companies that may have started up within the

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1 last three years but are expanding into new areas of to  
2 divert additional waste. They're coming up with new  
3 projects that are a tangent product to their current one,  
4 to take current feed stock, find a new use for it and  
5 develop a market.  
6 We've been lending larger -- larger loans  
7 were approved last year. The dollar amount has been  
8 raised. So we're considering the possibility of what  
9 happens if we raise the amount from \$1 million to an  
10 amount higher than that. We haven't completed our  
11 analysis on that yet.  
12 The second area we're looking at is we're  
13 currently limited to funding 50 percent of the project,  
14 whereby the applicant used to find another source for that  
15 other 50 percent, whether it be a bank, an SBA or own r  
16 funds.  
17 If we're able to fund a larger percentage  
18 of the project, primarily -- for an example, would be  
19 financing equipment. The equipment that we're financing  
20 for manufacturers is now becoming more expensive, it's  
21 more technologically advanced, there's more patents behind  
22 some of it, and if we're able to fund more of a project,  
23 then the bank is also able to fund more at the same time.  
24 We're not going to take away from what private banks do at  
25 this point.  
26 There's a barrier right now in that they  
27 always need to go out and find another lender because the  
28 company can't finance 50 percent of the project

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1 themselves. So finding another lender is still a barrier.

2 If we're able to finance more than 50 percent, it eases

3 that strain on the borrower's ability to go out to a bank.

4 There's always a negotiating point with the bank because

5 even though we lend 50 percent, we still need 100 percent

6 collateral. It makes it easier for us to work with the

7 bank.

8 In some cases, we may not need a bank to

9 come if we can fund, say, 75 percent and the outcome is 25

10 percent, and we get first position on collateral, thus

11 reducing some of the risk. We're looking at further

12 participating especially with some of the smaller banks to

13 be able to lend more of a project.

14 The third area the Board is considering

15 today is the reduction of the loan fee from one and a half

16 percent to a half percent on a million-dollar loan. That

17 will give an additional \$10,000 available to a company to

18 increase their operations.

19 Those three items the loan staff is

20 currently evaluating the feasibility of and the parameters

21 and pros and cons.

22 CHAIRMAN EATON: So we'll change the third

23 to reflect today's action?

24 JIM LA TANNER: That's correct.

25 CHAIRMAN EATON: With regard to raising the

26 project maximum loan amount, will we also have a

27 discussion as to the total amount that any one borrower,

28 irrespective of projects -- for instance, is there a total

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1 amount in the aggregate, I guess is what I'm trying to  
2 say.

3 CAREN TRGOVCICH: There are two issues  
4 here. The issue with respect to raising the project  
5 maximum loan amount, that would require statutory change.  
6 currently statute limits the Board's ability to lend on  
7 any single project at a million dollars, so both that  
8 item, where we are in the process of completing an  
9 analysis, as well as the next item, financing greater than  
10 50 percent of the project, both of those would require  
11 statutory change.

12 The item that you just raised which is, in  
13 aggregate, is there a total amount that the Board is  
14 comfortable lending to a single applicant over multiple  
15 projects, and we will -- we can bring back as a part of r  
16 the additional eligibility discussion, that we discussed  
17 earlier, that element of what would be the maximum amount.  
18 That would pertain to the Marspring loan that was approved  
19 today where that was the third project that Marspring had  
20 come forward on, bringing the total amount that they have  
21 received from the Board at \$2.1 million.

22 So there may be an approach, a discussion  
23 and direction, that the Board would like to undertake  
24 there to limit it, let's say, at two or two and a half,  
25 whatever the Board felt was appropriate. That could be an  
26 eligibility discussion, but the issue in here, in terms of  
27 project cost, would need to be a statutory change.

28 CHAIRMAN EATON: And how about perhaps

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1 including loans to local entities as a future action  
2 section, could we add a paragraph? Do we think that's  
3 appropriate, Members to show we are trying to do that, if  
4 that's going to be a direction we're going. It might be  
5 something to make it more effective; correct? It's not  
6 like we're trying to --

7 CAREN TRGOVCICH: Correct. We could  
8 certainly add a paragraph

9 CHAIRMAN EATON: I think it's --

10 CAREN TRGOVCICH: -- and include it. I  
11 would like to point out two items in terms of -- or one  
12 item that is going to change after Board action on this  
13 report.

14 On page 5, Jim referred to -- there's a  
15 table laying out administrative program costs. It's my  
16 understanding that the '98-'99 figures may adjust in a  
17 minor way once the year-end closings are done, and it's my  
18 understanding that information will be available in the  
19 September time frame, so that it is possible that we will  
20 be making editorial changes to that chart on page 5 of the  
21 report to reflect the year-end closing figures.

22 MR. JONES: Mr. Chairman.

23 CHAIRMAN EATON: Mr. Jones.

24 MR. JONES: I would move we adopt  
25 Resolution 1999-333 to include any typos or that issue  
26 that you had just talked about.

27 CHAIRMAN EATON: Figures as well as.

28 MR. JONES: Right.

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1           CHAIRMAN EATON: I'll second. Mr. Jones  
2 moves and Mr. Eaton seconds we adopt Resolution 1999-333.  
3 Without objection, substitute the previous role call.  
4 Hearing no objection, such shall be ordered.  
5 Next item, Number 35.  
6 CAREN TRGOVCICH: Item Number 35 is  
7 consideration and approval of amended scope of work with  
8 the Research Foundation at California State University  
9 Chico for levy repair project.  
10 Just to briefly summarize in two sentences,  
11 this item is seeking Board approval of a scope of work  
12 change to incorporate unforeseen repair and completion  
13 costs associated with the levy cutoff wall, as well as a  
14 dollar augmentation to the contract of \$35,000.  
15 Item Number 36 is the actual award item to r  
16 the Research Foundation at California State University  
17 Chico.  
18 We would be happy to answer any questions  
19 and to provide a presentation on this, but given the hour,  
20 I wanted to ask your preference.  
21           CHAIRMAN EATON: Members.  
22           SENATOR ROBERTI: Mr. Chairman, I was  
23 thoroughly briefed by staff on this item. From my  
24 perspective, I'm prepared to vote.  
25           CHAIRMAN EATON: Okay.  
26           MR. PENNINGTON: I'll move adoption of  
27 Resolution 1999-337.  
28           SENATOR ROBERTI: Second.

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1           CHAIRMAN EATON: Mr. Pennington moves and  
2 Senator Roberti seconds that we adopt Resolution 1999-337.  
3 Without objection, we'll substitute the previous role  
4 call. Hearing none, so shall be ordered. I believe --

5           MR. PENNINGTON: Mr. Chairman, I'll move  
6 adoption of Resolution 1999-338.

7           CHAIRMAN EATON: And I'll second that  
8 motion. So Mr. Pennington moves and Mr. Eaton seconds  
9 that we adopt Resolution 1999-338. Without objection,  
10 we'll substitute the previous role call. Hearing no  
11 objection, so shall be ordered.

12          MR. JONES: Mr. Chairman.

13          CHAIRMAN EATON: Mr. Jones.

14          MR. JONES: Just real quickly. I'm going  
15 to get more information on this, but since we were talking  
16 about loans and all the effort that everybody is doing on  
17 sustainable building and how do you -- we've always had  
18 this discussion about how do you recognize that  
19 sustainable green building when you're -- as a builder,  
20 there's a whole new loan program being put together right  
21 now to lend money to projects, home purchases of projects,  
22 that are done green. So I will get as much information as  
23 I can and share it, but I thought it was -- it's Fannie  
24 Mae, Fannie Mae projects.

25          CHAIRMAN EATON: With that, we come to our  
26 next and last section, public comment. Is there anyone in  
27 the audience who would like to make a general comment?  
28 Mr. Cupps, you indicated earlier you might want to do that



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1 but prefer to lie in wait in the leaves for me.

2 (Laughter)

3 MR. JONES: It's a weather issue.

4 CHAIRMAN EATON: I should say the grass

5 because that is the issue that deals with the weather.

6 JOHN CUPPS: Something about the fog in

7 here.

8 CHAIRMAN EATON: Hearing none, that ends

9 the public portion. We will now adjourn into closed

10 session.

11 Thank you very much, Members. Thank you

12 for pushing through what was a long agenda. I know it was

13 tight, but I think it was important as we get through some

14 of these items that we had to do.

15 With that, I thank you.

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1 STATE OF CALIFORNIA

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4 I, Terri Emery, CSR No. 11598, a Certified  
5 Shorthand Reporter in and for the State of California, do  
6 hereby certify:

7 That, prior to being examined, the witness  
8 named in the foregoing deposition was by me duly sworn  
9 to testify the truth, the whole truth, and nothing but  
10 the truth;

11 That said deposition was taken down by me in  
12 shorthand at the time and place named therein and was  
13 thereafter transcribed under my supervision; that this  
14 transcript contains a full, true and correct record  
15 of the proceedings which took place at the time and place  
16 set forth in the caption hereto.

17

18 I further certify that I have no interest in the  
9 event of this action.

20

21

22 EXECUTED this 27th day of JULY, 1999

  
TERRI EMERY

25